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# FINANCIAL TIMES

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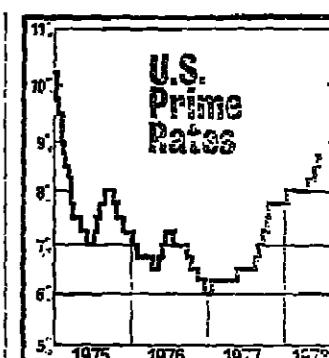
Saturday June 17 1978

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**Schlesinger**



Interest  
rise  
may hit  
Carter

By Stewart Fleming

**NEW YORK, June 16.** BIG U.S. BANKS triggered a further rise in short-term interest rates today when they announced an increase to 8½ per cent in their prime lending rate. The increase is expected to spread quickly across the country.

It is widely expected that the prime rate rise will be accompanied by further increases in other short-term interest rates, which in turn could threaten the Carter Administration's 4 to 5 per cent real growth rate target for the year.

The increase follows a move to 8½ per cent on March 28 and takes the prime—the rate banks charge their best customers—to its highest level since February 1975.

**Upward**

The move was sparked by Citibank, second largest U.S. bank, but was quickly followed by two other large banks, Chase Manhattan and Morgan Guaranty Trust.

Citibank said it was raising its prime higher, even though the formula it uses for calculating the rate did not directly dictate the increase because the underlying trend of rates was upward.

Investors will watch closely to see if the Federal Reserve Board reinforces this trend. On Tuesday, the Federal Open Market Committee, which sets the Fed's monetary policy, holds its regular monthly meeting in Washington.

There are predictions that the Fed will decide to tighten credit further because recent rises in the money supply and monetary base imply that money growth is intensifying inflationary pressures on the economy.

The decision may be a difficult one for the Fed, since some evidence is emerging of a slowing in the U.S. economy.

Some economists predict that growth will fall off significantly in the second half of the year.

Upward pressure on interest rates could slow the economy further, particularly through

Continued on Back Page

## NEWS SUMMARY

### GENERAL

### BUSINESS

## Hospital strike threat lifted

A planned strike by hospital electricians in up to 100 hospitals throughout Britain from Monday was postponed last night, after a new pay offer from the Government was accepted as a "basis for negotiation".

Union officials will decide on Monday whether to call off other proposed industrial action, including an overtime ban.

After urgent talks with Ministers, the electricians were offered a productivity plan designed to restore parity with electricians in the private contracting industry. Mr. David Ennals, Social Services Secretary, said that he was greatly relieved that the immediate threat to patients had been averted. Back Page

### Prince's marriage

The Pope has refused permission for Prince Michael of Kent and Baroness Marie-Christine von Reibnitz to marry in a Roman Catholic church. The main reason is said to be Prince Michael's decision that children of the marriage should be brought up as Americans. The Baroness, who is a Roman Catholic, now will marry the Prince in a civil ceremony in Vienna this month.

### Blacks mourn

Several thousand African school students attended a commemorative church service in Soweto yesterday to mourn the 600 blacks who died in riots two years ago. South African riot police set up road blocks and searched cars near the church. Page 2

### Zaire withdrawal

The United States has begun pulling U.S. servicemen and equipment out of Zaire's troubled Shaba province after completing a airlift of troops and supplies for an African peace force. The only white troops left behind in Shaba are 300 Belgian paratroopers in small mining outposts.

### Belgian crisis

Mr. Leo Tindemans, Belgium's Prime Minister, who tendered his resignation to King Baudouin on Thursday, agreed to the king's request yesterday to try again to resolve the differences in his coalition government. In Italy, the main political parties have started informal talks to see if they can agree on a successor to Sig. Giovanni Leone, who resigned as President, to answer to corruption allegations. Page 2

### Tarling charges

Home Secretary, Mr. Merlyn Rees, has decided not to exercise his discretion to prevent extradition to Singapore of Mr. Richard Tarling, a former business colleague of Mr. Jim Slater. Mr. Tarling faces five charges under Singapore Companies Act, having won his appeal in Britain on more serious charges brought against him. Back Page

### Ulster shooting

Terrorists shot dead a 19-year-old part-time police reservist as he was serving in a shop in London on Tuesday. Mr. Roy Mason, Ulster Secretary, announced that Judge Bennett would be chairman of the inquiry into police practices in Northern Ireland. Page 4

### Drugs found

More than 10 kilograms of heroin worth £2.25m was found in suitcases carried by two men at Heathrow airport last night. The discovery touched off inquiries in several parts of Britain.

### Briefly

Cricket: England scored 309 for 8 (Botham 102 not out) against Pakistan on the second day of the Second Test at Lord's. Packer problems, Page 9

Siamese twin girls have been born in Portugal and doctors are considering an operation to separate them.

Visitors to the Netherlands are being advised by UK health authorities to consult their doctors on the need for polio-typhoid vaccination.

BBC commentary box in the House of Commons is to be fumigated. Broadcasters suspect that sniffer dogs checking for bombs have brought in fleas.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in £s unless otherwise indicated)

RISES:	
Avon Rubber	200 + 6
B.A.Ts Delf	283 + 7
Bourne & Blingswirth	113 + 16
Camellia Inv.	280 + 23
Cory (H.)	23 + 24
Daily Mail A	303 + 3
Derbentham	87 + 3
Flight Refuelling	1375 + 64
Metal Exploration	26 + 74
Halsted (J.)	23 + 24
IMI	652 + 4
MFL Furniture	95 + 5
Milbury	105 + 5
Pilkington	520 + 37
Triplex Foundries	59 + 5
Wood & Sons	57 + 9
Sleben (UK)	332 + 22
FALLS:	
Guinness (A.)	170 - 10
Randalls	69 - 5
Starkey Inv.	282 - 6
Woodhead (J.)	92 - 5
West Broken Hill	124 - 7
Western Mining	147 - 8

### GENERAL

British Petroleum yesterday disclosed two major acquisitions which will reinforce its European operations at a cost of £430m. Its West German subsidiary is to buy the German energy company Gelsenberg. Its chemicals

subsidiary is to take over substantial interests of Union Carbide. The moves involve a contract to supply West Germany with crude oil and will leave BP with a 25 per cent stake in Ruhrgas, the main German gas business.

## £210m Veba deal with Deutsche BP

BY JONATHAN CARR: BONN JUNE 16

VEBA, the leading West German energy concern to-day announced a major accord with Deutsche BP which involves a big restructuring in both companies and will help safeguard West Germany's long-term oil supplies.

Under the accord, parts of the Veba Group, Germany's biggest enterprise in turnover terms, agreed under which BP agrees a 25 per cent stake in another, also in

to supply 300 tonnes of crude oil annually to Veba at a competitive price up to the year 2000.

The upshot is that those Veba refineries which remain should be operating once the deal goes

into effect at that part of the refinery in Bavaria and a 25 per cent

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## HOME NEWS

## Pardoe rules out deal with Tory 'carion crows'

BY RUPERT CORNWELL, LOBBY STAFF

THE OPEN war between Con. and Mrs. Thatcher crawled out of the wreck of a general election last night as Mr. John Pardoe, the Liberal deputy leader, described the Tories as "the rats then and now that have been done with the skipper? Eatem him?"

The bitterness of the insults made by one party against another after this week's confidence vote in the Commons, where the Government survived only thanks to Liberal abstention, is a sure sign of the importance of the battle at the next election for the 5m Liberal votes of October 1974, won largely at Tory expense.

But it also means that the even-handed strategy sought by Mr. David Steel—that the censure motion yielded a useful tactical victory by blinding Liberals to either major party if they hold the balance of power from the pact with Labour, in the next Parliament—is a non-existent prospect.

Senior Liberals and Tories believe there is practically no realistic chance of any Lib-Con pact to support Mrs. Thatcher in office.

Mr. Pardoe accused the Conservatives of keeping abuse on the Liberals out of desperation at seeing their chance of electoral victory receding and Mr. Taylor said: "There is little doubt that the Liberals will be wiped out at the General Election. In Scotland there are three Liberal constituencies and Chancellor, had referred to we will be disappointed if we do not win two of them." The Labour Government as "rats hands of an unscrupulous socialist administration, he

Pardoe said in scorn. "Yet only four years ago he claimed,

### Hindered

His dispute was answered in kind by some Conservatives close to Mrs. Margaret Thatcher, who believe that the censure motion yielded a useful tactical victory by blinding Liberals to either major party if they hold the balance of power from the pact with Labour, in the next Parliament—is a non-existent prospect.

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## Reform Secrets Act, urges Heffer

BY OUR LOBBY STAFF

MR. ERIC HEFFER, former Industry Minister and an influential Labour Left-winger, is a White Paper by the end of this session unlikely to make reform of the "Catch-all" Section Two of the Official Secrets Act merely the first step towards introduction of a full-scale "Freedom of Information Act."

Pressure for a Freedom of Information Act is in fact one of the main difficulties faced by Ministers framing the Government's proposals. Many MPs have warned that too timid an approach on Section Two will do more harm than good.

Speaking in Cheshire, Mr. Heffer continued: "The quicker in Britain we have a freedom of Information Act the better.

Labour's last manifesto in October 1974 committed the Party to legislate to replace the much-criticised Section Two.

## Judge to head inquiry into Ulster police

BY OUR LOBBY STAFF

JUDGE BENNETT, QC, is to be former Chief Inspector of Constabulary and Professor John Marshall, in charge of Clinic Neurology at London University. The terms of reference will be to examine police behaviour relating to the interrogation of suspects, to examine the operation of present procedure dealing with complaints about police conduct, and to make recommendations.

## Assembly 'will underpin unity'

ESTABLISHMENT of a Scottish Assembly would underpin the unity of the United Kingdom, Mr. John Smith, Devolution Minister, said yesterday. He told the Edinburgh branch of the Institute of Directors that devolution was "essentially the moderate option for Scotland. So much of the discussion about Scotland's future is devilled by a futile clash between two sets of extremists—separa-

## Vickers compensation insulting—Robens

BY TIM DICKSON

ACCUSATIONS of "financial rape" over the compensation terms for Vickers' nationalised assets were levelled at the Government by Lord Robens, chairman of the engineering group, yesterday.

In a bitter attack on the payments for sale made for Vickers' former aircraft and shipbuilding interests, Lord Robens, a former Labour Cabinet Minister, complained about the "shabby, petty, paltry and indifferent" treatment the company had received. He told the annual meeting in London yesterday that the payments on account were derisory, ludicrous and contemptible."

So far, Vickers has received a total of £7m from the Government for its 50 per cent stake in British Aircraft Corporation and its formerly wholly-owned shipbuilding subsidiary.

They were nationalised on April 29 and July 1 last year respectively and carry a book value of £67.8m in the accounts. Ironically, the first talks on further compensation for the aircraft side also took place yesterday between Government officials and shareholders' representatives.

Discussions about Vickers' shipbuilding interests will be held at the end of this month.

Lord Robens told shareholders at yesterday's meeting that the total amount paid to Vickers by the Government well in future will be £10m. "In fact, its share of BAC was £1m," he said.

"During the last four years in

1977, BAC, jointly owned by Vickers and GEC, had made pre-tax profits of £5.8m."

Far wider issues were at stake.

"Against these figures, the group would fight to ensure fair and reasonable compensation to the very limit of the law.

Vickers had been forced to cut its investment programme from £30m to £20m "because we were Vickers shareholders," Lord

Robens said. "We shall do so because we are in danger of getting into an over-hung position with the

"Fair and reasonable," as interpreted by a Labour Govern-



LORD ROBENS addresses Vickers' annual meeting in London yesterday.

The group had expected substantial compensation payments, he maintained, warning to every shareholder of modest increases.

"They should understand that the basis of nationalisation which I promised us if another Labour Government is elected will virtually mean confiscation of what they have."

Commenting on the company's performance in the current year, Lord Robens said results in the first few months had been "mixed."

Losses incurred by the offshore engineering group had persisted, while a strike in Canada and lack of activity in Australia had also been factors in the slow start.

So far this year, 24 companies have received compensation payments from the Government totalling £24.75m.

Last night, the Industry Department said talks would soon be resumed with the parties involved and would last "until agreement is reached." Failing this, companies could go to arbitration.

These feelings are believed to be the ones mentioned specifically in the Stock Exchange report.

Mr. Judd said that these deals in the shares of the nine companies mentioned in the Exchange's report were transactions where the prices could have been manipulated, but the trust as a whole made a profit.

In a statement yesterday, the directors said that these transactions did not have a material effect on the value of the units in any of the group's funds which in total, amount to investments of more than £10m.

The Bank of Scotland had a meeting with the Piccadilly management and its advisors on Thursday, in a statement published last night, the Bank said that "as a result of its inquiries, the bank is satisfied that the cash and securities on the basis of which the current values of the various units are determined continue to be under its control and custody."

Piccadilly has been unable to obtain a copy of the report.

The Stock Exchange has indicated that it is prepared to release the report to Piccadilly only on a conditional basis. It is believed that the report will be handed over only if Piccadilly's management agrees not to pursue any legal action against the Stock Exchange.

Such claims would reduce the number of orders and so affect adversely the continuity of employment on UK sites.

Mr. Richard Luders, a Piccadilly director, has taken over the responsibility for the management of the trust's funds in place of Mr. Scott.

## Piccadilly trusts official resigns

By Terry Garrett

MR. NEILL SCOTT, the investment director of the Piccadilly group of unit trusts, has resigned following an investigation into the trusts' dealings by its directors and its auditors, Whinney Murray.

Mr. Alan Judd, chairman of Piccadilly, asked for Mr. Scott's resignation last Monday. Mr. Scott, 30, leaves the company with no compensation.

Piccadilly was named in an unpublished Stock Exchange report into share dealings, which was sent to the Department of Trade, City of London Police, the Unit Trust Association and the Bank of Scotland, trustee to Piccadilly.

The Piccadilly directors and the Treasury argue that the most uncertainties involved and the likelihood that unjustified weight would be placed on the figures.

Experience has illustrated the risks in present circumstances of linking firm planning decisions too closely to highly uncertain projections of the economy over a number of years.

The Treasury says that great uncertainty surrounds all the main determinants of the future growth of output and the Government therefore seeks to keep its plans flexible, especially for the later years of the five-year survey period, and to review the figures annually.

## Treasury defends lack of precision in spending plans

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The present approach is to produce an economic assessment expressed mainly in qualitative terms. The Treasury merely repeats the pledge given in oral evidence by Mr. Joel Barnett, the Chief Secretary, that the Government would consider before the next White Paper is published to what extent more quantified economic projections should be provided.

The committee also criticised the Government for failing to redress the damage caused to the construction industry by the cuts announced in 1976.

The Treasury points out that while some capital expenditure in central and local Government services will save current spending, a great deal does not yield a direct financial return, and some will provide facilities which cost more to maintain and run.

"It would not be in the long-term interests of the construction industry if, with the aim of helping the industry, total planned expenditure were increased beyond the level at which it could be sustained."

The committee also expressed concern about the level of underspending and shortfall in the last two financial years.

The Treasury notes the long-term continuing tendency for shortfall to occur and points to difficulties of prediction, notably in areas which cannot be closely controlled by the Government since they are influenced by general movements in the economy.

## Bonus claims by oil men rejected

BY SUE CAMERON

OLE COMPANIES, trade unions and North Sea building contractors have agreed to stand firm against future claims by oil platform construction workers for end-of-contract bonus payments.

The Offshore Industry Liaison Committee, meeting in Glasgow yesterday, agreed that these claims, should be rejected because of their adverse effect on platform orders to UK yards.

The committee, set up two years ago to look at problems within the offshore industry, includes Government representatives, trade unions, contractors and oil companies. Dr. Dickson Mabon, junior Energy Minister is the chairman.

The committee recommended that contractors, trade unions and clients should act jointly to ensure that claims for termination payments, in violation of existing agreements, should be rejected.

Such claims would reduce the number of orders and so affect adversely the continuity of employment on UK sites.

Mr. Mabon said that, in the next 12 months, it was expected that six or seven orders for North Sea platforms would come to the UK yards.

## 'More oil in China Sea than in Gulf' claim

ISLANDS in a little-known part of the South China Sea have a bigger oil potential than the Persian Gulf, a defendant in an Old Bailey trial claimed yesterday.

Mr. John Sidney Barnes, 45, economist of St. George's Drive, Pimlico, denied being involved with a suspended Bank of England official, Mr. John Martin Wales, in a plot to obtain more than £1m in dollar premiums on non-existent securities.

Mr. Barnes' counsel, Mr. Martin Tucker, QC, said Mr. Barnes' use of diplomatic passports, which he had created himself as "King of the islands, might seem Ruritanian, but some countries had Britain on business."

The only reason I came to Britain, was to exploit their oil possibilities.

Mr. Barnes told the court that the

Coloma has adopted British

law for all its legislation, and its nearest "border" was 200 miles from the coast of Labuan.

They had been "taken over" in 1956, when they were uninhabited, by a former war hero of the Philippines named Thomas Cloma, an international lawyer.

"We were negotiating with various American companies for survey work, as seismic studies suggest there is more oil under Coloma than in the whole of the Persian Gulf."

Mr. Barnes, who holds a degree of Doctor of Philosophy from Florida University, said he had frequently travelled in the Far East.

The hearing was adjourned until Monday, when Mr. Barnes continues his evidence in the case.

Over the past two years or so, senior officers of the Metropolitan Police, Royal Society and London Police Force, South and Scotland Yards' Special Branch, have laid out an operation to investigate certain small concerns, often based in offshore islands, purporting to carry on genuine banking in Britain.

Businesses looked into include a number of tiny companies often with high-sounding names, registered in islands in the West Indies and elsewhere. Some 30 people were arrested and a number of these still await trial.

The authorities in Anguilla last year took a tougher line and struck more than a hundred impressively titled small companies off their register.

Overseas-registered companies, even though tiny, which set up business under bank-type names in Britain may be wholly legitimate. Yet it was anomalous that, until recently, they were able to operate in the UK subject to supervision than home-based concerns.

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Overseas-registered companies, even though tiny,

## HOME NEWS

# Coal Board rejects electricity plan

BY JOHN LLOYD

IN A STRONG counter-attack on the Central Electricity Board, the National Generating Board, the National Coal Board yesterday rejected the assumptions made in the Generating Board's corporate plan that coal output would fall greatly short of its targets.

The Coal Board also makes it clear that it considers the rate of expansion in nuclear power envisaged by the Generating Board as too rapid, and harmful to the orderly expansion of coal production.

However, the Government, while stressing that it continues its policy of strong support for the coal industry, admitted that there was a possibility of "short-term surpluses of production" of coal.

The Generating Board's plan estimates that the Coal Board will be down 200,000 tons on its 1980 ton target in 1985, and as much as 800,000 tons in 2000.

In addition, the corporate plan lays considerable stress on the desirability of nuclear power stations on both cost and environmental grounds.

## Monsanto workers exposed to danger

BY SUE CAMERON

SHOP STEWARDS at the Monsanto group's plant at Seal Sands, Cleveland, say that some workers there are exposed to dangerously high levels of acrylonitrile, a chemical used in making plastics and vinyl fibres.

The permitted exposure level of acrylonitrile is 20 parts a million. The Seal Sands shop stewards say monitoring has shown that one man at the plant was exposed to 214 parts a million and another to 102.

It is claimed that neither was wearing protective breathing apparatus. A third man, wearing breathing apparatus, was said to have been exposed to a level of 850.

Monsanto said yesterday that it could neither confirm nor deny that workers had been exposed to these high levels of acrylonitrile. The shop stewards' claims were now the subject of an internal investigation and "at this point the full facts have not been ascertained."

Earlier this week 40 shop stewards, representing construction workers at the Seal Sands site where the plant is still being built, though part of it has come on stream, met Dr. Alec Munn, Monsanto's environmental health director for Europe.

The meeting followed a BBC Panorama programme on health and safety which dealt with the hazards of acrylonitrile.

Dr. Munn said at the meeting that exposure levels at the Seal

The only coal-fired power station in the Generating Board's future plans is Drax B, which it has been ordered to build by the Government.

The Coal Board said that discussions must be held between the two boards on the immediate future period—up to 1990—and on the period beyond, where options were much wider.

"In the period up to 1990, the main problem relates to the relative use of coal and fuel oil."

There could be circumstances under which the ability of the generating board to switch quickly from coal to fuel oil in response to fluctuations in relative prices would be incompatible with the sensible long-term planning of the coal industry.

"The post-1990 period raises the issue of the size of the nuclear programme, which the generating board envisages as much greater than that included in the recent Green Paper on energy policy."

The Coal Board's view has always been that a country must have a nuclear power capability and that a progressive nuclear programme will be required."

## New uses for pit waste sought

By John Lloyd

THE COAL industry is being forced by mounting public pressure to find better ways of disposing of colliery waste. Mr. Robert Dunn, director-general of mining at the National Coal Board, said yesterday.

Mr. Dunn told the Association of Mining, Electrical and Mechanical Engineers' convention at Harrogate that the best way to dispose of waste was to find a use for it.

About 5m. tonnes of waste a year—one-tenth of total waste production—was being used for surfacing running tracks and tennis courts, filling roads and in land reclamation, in sea and river defences and cement production.

However, scarcity of land in some areas, together with moves to develop large mining complexes in traditionally non-mining areas, would create increased pressure to find more uses for the waste.

"A major factor in the success of the research and commercial effort we are putting into finding additional uses will be the acceptance of colliery waste as an alternative to other commonly-used materials."

"I am thinking especially of its value as construction blocks for the building industry."

## North West protest over regional aid

BY RHYD DAVID, NORTHERN CORRESPONDENT

THE GOVERNMENT was yesterday charged with favouring Scotland, Wales, and the North East of England in allocation of regional assistance, to the detriment of the equally needy North West.

The charge is one that has been levelled increasingly in the North West recently and in Yorkshire, but details of the grievance were yesterday spelled out more fully than before by Mr. Arnold Tweedale, chairman of the North West Industrial Development Association.

### Loss of jobs

He told the association's annual meeting of the loss of 20,000 jobs in the North West since 1965. A fall of 1.3 per cent compared with 3.2 per cent in Wales, 2.1 per cent in Scotland and only 1.2 per cent in the North East.

Assistance from Brussels under the European Regional Fund up to the end of last year totalled £51 per unemployed person in the North West, compared with £206 in Scotland, £229 in Wales and £376 in the North East.

Mr. Tweedale claimed that the assistance which the area was receiving from the Government and the EEC was lower than in other regions.

Total assistance per head of working population received under the Industry Act up to March last year had amounted to only £205 in the North West, compared with £581 in Scotland, £614 in Wales and £886 in the North East.

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Mr. Tweedale was speaking before an audience which was meant to include Mr. Eric Varley, the Secretary for Industry, who was forced to withdraw at short notice. He expressed concern that Wales and Scotland now have a further advantage as a result of the setting up of their own development agencies.

He urged the Department of Industry and the National Enterprise Board to consider the North West as a location for the new micro-electronics plant which the Government plans to fund.

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## THE WEEK IN THE MARKETS

## Gilts pause for thought

The gilt-edged market never "cheaper" way of raising cash with a loss, against a profit of quite made it this week. On than a conventional rights issue. £3.3m last time. And there seems Monday, the odds were that the For the pension fund it is a little doubt that group pre-tax new long tap (Exchequer 12 convenient way into equities profits for the year will show a per cent 2013/17) would be for ITC shareholders it is substantial reduction on last sold out on day one. But the a chance to sell out at a very year's £5.8m, itself down from stages started to think again good price—even the cash alter-£9.3m.

When the authorities acted with indecent haste to replace the value. Westland's problem this time is the helicopter factory at Yeovil, where the earnings of 2,000 employees are determined by the piecework earnings of less than half that number. However, negotiations are still going on. And since provisions already made (and anticipated) take into account likely levels of wage inflation until the contract is completed, it is possible that eventual losses could be lower.

The news sent Westland's share price into a spin on Thursday, knocking £11m off the capitalisation, but a slight recovery yesterday left the shares 11p down for the week at 35p.

LONDON  
ONLOOKER

gives the chance to issue shares at a discount of 10 per cent against 15 to 20 per cent with a rights issue, is irrelevant. The discount is being given away to outsiders—ITC shareholders and cannot be compared with a discount to existing holders. The cost of this discount is of course being borne by the company—existing shareholders who will end up with a smaller stake in their company.

Shareholders may feel a dividend increase of 20 per cent is inadequate compensation for the dilution of their interests, and already there seems to be a fair amount of resentment building up in the institutions.

## Westland shocker

The old tale about bad figures taking a lot longer to add up was certainly borne out by Westland Aircraft's interim results which did not appear until about 7 pm on Wednesday night. The news, contrary to analysts' expectations, was very bad. As of the industry.

A result of continuing problems on the Lynx helicopter project for the Ministry of Defence is further provisions—possibly as great, or even more than the low while there is also a tremendous overcapacity in the world shipbuilding industry. Until equilibrium is reached the industry is going to be in the

The logic for the bank is that this three-cornered scheme is a will end the year in September doldrums.

## MARKET HIGHLIGHTS OF THE WEEK

	Price Y/day	Change on Week	1978 High	1978 Low	
Ind. Ord. Index	470.6	+ 3.7	497.3	433.4	Following in the wake of Gilts
Albright & Wilson	170	+ 20	172	86	Agreed higher bid from Tenneco
Bath & Portland	80	+ 9	83	62	Speculative demand/int. figs. soon
British & Commonwealth	283	- 11	305	252	Current profits warning
B H South	113	+ 14	125	63	Bid rumours
Brown & Jackson	123	+ 21	125	24	Reopened speculative interest
Churchbury Estates	283	+ 28	283	233	British Land acquires 15% stake
Combined English Stores	101	+ 8	101	73	Encouraging retail sales figs.
Henderson (J.W.)	208	+ 49	210	138	Agreed bid from Cement-Roadstone
Investment Trust Corp.	273	+ 20	278	174	Barclays Bank/P.O. Pen. fund bid.
McNeill Group	45	- 13	59	38	Dividend omission and loss
Messina	89	- 9	100	70	Weakness of copper price
Pork Farms	683	+ 40	683	393	No Mon. Com. reference
Sabine Inds.	84	+ 35	90	30	Speculative buying
Staveley Inds.	282	+ 37	288	214	Better than expected results
Sunsei Besi	220	+ 12	220	134	Return to dividend list...
Swire Properties	66	+ 9	66	31	Berkeley Hambro disposes of stake
Triplex Foundries	89	+ 11	89	72	Better than expected results
Vlaafontein	54	- 6	62	37	Passing of interim div.
Westland Aircraft	35	- 11	52	30	Depressing interim report

A NEW UNIT TRUST FROM CRESCENT  
CRESCENT TOKYO FUND

## EVERY PORTFOLIO SHOULD HAVE A STAKE IN JAPAN

1. Over the last fifteen years Japan has had the fastest rate of growth of the major industrialised countries. This trend is expected to continue.

2. Of the major industrialised countries, Japan invests the highest proportion of its Gross National Product in plant and equipment.

3. Japan is politically stable, with industry and government co-operating to an extent unknown in the West.

4. The Japanese people are highly educated, hard working and financially conservative.

5. Inflation and interest rates are low and the currency is strong.

6. In terms of market capitalisation, Tokyo is the second largest stock market in the world.

## ADDITIONAL INFORMATION

Applications and cheques will be acknowledged and certificates will be sent to you within 28 days of the close of the offer.

Units may be bought and sold on any normal working day. Payment for units sold will be made within 10 working days of receipt of your renounced certificate. Unit prices and yield will be published daily.

In most leading newspapers. Commission of 12½% will be paid to recognised agents. A annual charge of 5% is included in the offer price. A half-yearly charge of 3½% of 1% (plus VAT) for Managers' and Trustee's expenses is deducted from the trust's assets.

An annual distribution of net income will be made on 15th October. The first distribution will be on 15th October 1979.

The trust is a "wider range" investment management by the Secretary of State for Trade.

Trustee: The Royal Bank of Scotland Limited.

Managers: Crescent Unit Trust Managers Limited (a member of the Unit Trust Association).

We declare that I am/we are not resident outside the UK or other Scheduled Territories nor acquiring the units as the nominee(s) of any person(s) resident outside these Territories.

Signatures: (If there are joint applicants each must sign and attach names and addresses separately.)

Date: \_\_\_\_\_

This offer is not available to Republic of Ireland residents. If you would like distributions of income to be re-invested please tick here.

To: Crescent Unit Trust Managers Limited, 4 Melville Crescent, Edinburgh EH3 7JB. Tel: 031-226 4931 (Registered in Scotland No. 51269. Registered address as above)

We wish to invest £\_\_\_\_\_ in Crescent Tokyo Fund units at the fixed price of 25 pence per unit (minimum initial investment £50,000).

We enclose a cheque for this amount, payable to Crescent Unit Trust Managers Limited. After the close of this offer units will be available daily at the offer price then ruling. (BLOCK CAPITALS PLEASE)

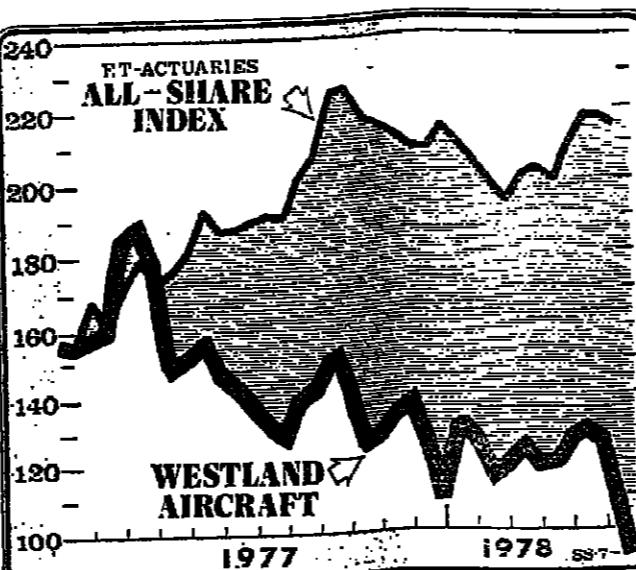
Signature: Mr/Mrs/Miss \_\_\_\_\_

Full Forename(s): \_\_\_\_\_

Address: \_\_\_\_\_

**CRESCE**  
**TOKYO FUND**

Initial Offer price 25 pence (closes June 30th 1978 or earlier at Managers' discretion).

A time for questions  
on Wall Street

NEW YORK, June 15.

AT LEAST this time no one can say that they were not warned. Citibank cast something of a chill over the market on Wednesday with the publication of a warning in its monthly Economic Letter that: "There's every reason to expect a further rise in interest rates." By yesterday the message had taken hold and the Dow Jones Industrial Average suffered its largest daily decline in more than one month.

This morning Citibank raised its prime rate—the charge it makes on loans to its best customers—and within an hour many of the country's largest banks were following suit and establishing the highest prime rate since early 1975.

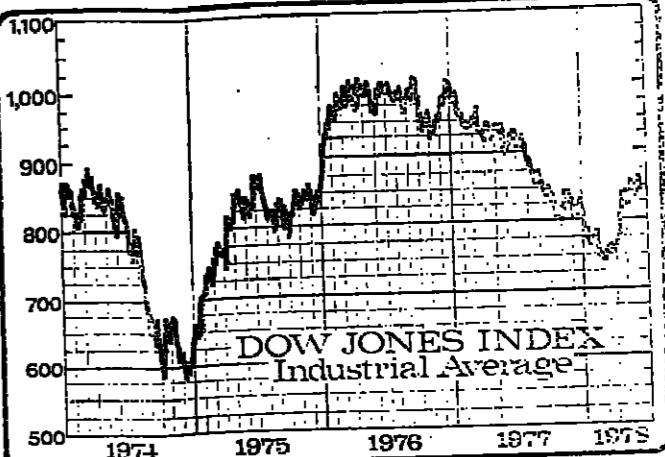
The group assumed that world sugar consumption would recover once income levels rose. But this has not materialised and demand has settled at a level well below previous peaks. Now, attempts to rationalise are proving expensive. The company is going to sink from around 2m tonnes to about 1.4m tonnes by 1982 but it has been suggested that this will have to be cut to nearer 1m tonnes to ensure long-term prosperity.

**Sour figures**

Tate and Lyle's results must have left a bitter taste in the mouths of shareholders this week. Interim profits were 55 per cent lower and analysts are forecasting full-time results of £2m less than last year's first half £24.9m. Mainly due to the huge world sugar surplus, Tate's refining activities turned round from a profit of £7.1m to a loss of £0.4m, while commodity trading dipped £6.3m to £11.3m and starch by £1.7m to £1.6m. Also, because of the continuing depression in freight rates, shipping's contribution was reduced to nil, compared with £1.2m last time. Only engineers prospered as the relief to hear the chairman stressing that the policy of maintaining dividends remained unchanged—for the moment at least. Putting aside the uncertain future, however, it is clear that

Tate got its sums wrong after have taken quite a beating over the past 18 months. While the All-share index has fallen by only 5 per cent, the P and O share price has dropped by nearly 60 per cent and the prices of Ocean Transport and Furness Withy are down by a third. Both Ocean and P and O are currently yielding over 10 per cent and the share prices are discounting some pretty awful results in the current year. Unless the UK shipping industry is going to sink from

around 2m tonnes to about 1.4m tonnes by 1982 but it has been suggested that this will have to be cut to nearer 1m tonnes to ensure long-term prosperity.



been a notable feature of the current rally. Blue chips have tended to lead both the buying and selling, but the real speculative impulse has focused on gambling stocks. The Atlantic City in New Jersey—the only gambling centre outside Las Vegas—was bound to stir some interest in casino operators and manufacturers of gambling machines.

But investors' readiness to take an increase in the Fed funds rate from 7½ per cent to say 7¾ per cent as a further cheering sign that both the level of inflation which has been operating at the moment and the level of economic activity will be lowered and the economy perhaps positioned for a further advance in 1980? Or will it fear that the 18-month outlook is sufficiently obscure to justify greater caution? Moreover, the company revealed on Wednesday that it had been sweepingly in a net win of \$438,000 a day since the casino opened last month. Its A and AB stocks soared on the American stock exchange by 111 points and 53 points respectively on Tuesday and Wednesday, while Caesar's World which operates in Las Vegas and has taken a lease on an Atlantic City hotel also gained 21 on Wednesday. Eddy and Playboy stocks have also been doing well.

	Closing Prices
Close	356.72
Change	- 2.51
Monday	356.98
Tuesday	- 6.26
Wednesday	354.55
Thursday	- 10.51
Friday	344.25
	- 7.23
	\$36.97

Important news  
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Now, the Britannia Building Society and Royal Insurance Company come together to bring you the double benefits of a high-return investment plan with the added security of substantial life assurance cover.

## The Britannia 'Double Investment' Plan.

This plan, which is open to investors between the ages of 20 and 55 next birthday, with a minimum investment capital of £1,200, (maximum £15,000-£30,000 for joint accounts) combines the advantages of a Britannia Investment Account with those of a Royal Insurance' with-profits Endowment Assurance. The plan is for a 10 year investment term, with the Endowment Assurance premiums being met from the lump sum deposited with the Britannia.

On maturity this plan will yield:

- The sum remaining in the special investment account after payment of the Endowment Assurance premiums.
- A maturity bonus of £3 per £100 invested.
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Example based on matured plan for a male life aged 35 years next birthday (Original Investment £6,000).

From the Britannia £2,397  
Amount remaining in building society account £180  
From the Royal £5,378  
Guaranteed sum assured £3,001  
Estimated bonuses £10,956

## Tax Liability.

Under current legislation, all benefits resulting from the plan, either on maturity or in the event of earlier death, will be free from both income tax and capital gains tax liability.

## Special Options.

Under the provisions contained within the plan you may, if desired, effect subsequent policies without evidence of health for the purpose of:

- Mortgage repayment by the Endowment Assurance method.
- A further 10 years Endowment Assurance with-profits for the same sum assured on the same life. Both the options are subject to limits and conditions current at date of application.

For further information, contact your local Britannia branch office. Or return the coupon.



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Please send me more information on the Britannia 'Double Investment' Plan

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## YOUR SAVINGS AND INVESTMENTS

*An education tax*

AS PARENTS, you have an inalienable right to educate the education of children of your children in the best way possible manner and to spend tax as benefits in kind under money to achieve this. You Section 61 of the Finance Act 1976. The Budget of that year was given some support under was effectively a declaration of Section 375 of the Income and Corporation Taxes Act 1970, which exempts scholarships Section supplied the ammunition from tax, and Section 45 of the Finance Act 1975, which fringe benefit payments have come under attack.

But if you are a higher-paid employee, this expenditure has to come from your after-tax income, or from your hard-

**FRINGE BENEFITS**  
ERIC SHORT

earned savings according to the latest move from the Inland Revenue. If relatives try to help out, they could be subject to CFT, and now if your employer helps out, you could face a tax liability on such payments.

This week the Inland Revenue announced that, as from Wednesday June 14, all scholarships awarded in the Opinion with the tax account-

lant is that almost certainly this decision will be tested in the Courts. But even so, does this action of the Revenue herald the ultimate demise of such assistance by employers? This is by no means certain; the ingenuity of the tax planners can usually find a way round moves of this kind.

The taxation of benefits in kind is complex, like most tax legislation, but the Revenue divides the population in two groups — directors and higher-paid and others. The higher-paid, by Revenue definition, are those earning £7,500 or more a year and this limit is revised periodically. The former class have fringe benefits taxed on the cost to the employer, others are taxed on its resalable value. Thus this move by the Revenue means that the higher-paid will pay tax on the amount of the scholarship award, whereas the lower paid will not be affected, since it has no value on the market.

It must be remembered that the £7,500 limit includes the fees you are nudging £2,000 a year, the award of a scholarship could put you into the category of higher-paid. Where both husband and wife can apply for a scholarship with their respective employers, it may well be profitable for the wife to apply if she is earning less, and opt for separate assessment. But this Revenue decision could be challenged in the Courts so this may not be the final word on the subject.

But up to now the Revenue has refrained from taking action on scholarships provided by employers, on the grounds that Section 375 mentioned above stopped them. The past two years has seen a proliferation of educational trusts set up by employers. Many insurance brokers dealing in employee benefit provision have been instrumental in designing and administering such trusts. They claim to have taken Counsel's opinion before setting up such trusts.

In most cases these trusts have been available to children of all employees and certain educational standards have to be reached before any award is made. But naturally, it is the higher-paid employee who has this may not be the final word on the subject.

*Public stay away*

**MERCHANT BANKS**, institutions and private clients have shown some interest in one or two of the underlying stocks they hold and rarely commit more than 70 per cent of their holding.

Institutions have shown interest in buying options although private client buying and in-house buying by brokers dominates. There has been little interest in secondary market buying and selling.

Brokers close to the market

claim that it is still rare for a private client to initiate an options transaction, either writing or buying. The bulk of

**OPTION MARKET**  
TERRY OGG

the private client money comes from either private client portfolios over which brokers exercise some discretionary control or as a result of transactions executed on a brokers' recommendation.

Market makers are still the leading writers of options although there has been some tentative interest shown by private clients. Institutions and merchant banks have been conspicuous by their absence. The individual investors writing options tend to have medium-sized portfolios with a market value in excess of £75,000 and a holding in three to five of the underlying stocks.

In general the private investors write between three and seven options in one or two of the underlying stocks they hold and rarely commit more than 70 per cent of their holding.

Institutions have shown interest in buying options although private client buying and in-house buying by brokers dominates. There has been little interest in secondary market buying and selling.

The main stumbling blocks are the tax problem; a difficulty getting bank guarantees by writers who wish to be "uncovered" but who don't want to put up the required cash collateral, and a lack of liquidity.

The lack of liquidity is the greatest problem. Last Thursday a buying order for 60 Shell July 550 was placed. By midday only 20 had been bought. When the market first opened it took three days to clear a buying order for 40 contracts.

The initiators of the London options market are happy with their fledgling.

They will continue to seek to have the tax position altered and they will encourage the clearers to issue guarantees. But they still have to boost liquidity. It will need an education programme or a reasonably sustained upwards movement in the underlying sharemarket. There is no spur like speculative profits to bring new people into a new market.

**HIGH INCOME** funds are often considered the bread and butter of the unit trust industry.

This implies that they may not be very exciting and yet given the wide spread of equities and often significant preference share base, they are usually a sound investment. Reflecting this and the current demand for such funds — second only to the rush for North America — Gartmore has just launched an Extra Income Trust with an estimated gross starting yield of 9 per cent. Inflation is now well below 10 per cent, and according to the Government set to stay there until the end of the year. So the sort of returns you can now get from investing your capital for income look impressive compared with the increases in living costs.

What, though, are the specific advantages of a high income fund? First, your investment will give you a regular return which, depending on the fund manager's skill and the state of the stock market, should increase with time. Dividends from most high income funds have risen in the last year in terms of income per unit.

Arbuthnott's Extra Income and Preference funds are notable exceptions, but, according to the group, rapid expansion at the end of last year made it difficult to get the cash into the market.

Income rises of course, not only because of increased dividends from the shares in a portfolio and a higher yield but because the underlying value of the units improve. Capital growth then is a sometimes for

*Enticing income***UNIT TRUSTS**  
TIMOTHY DICKSON

done better than "blue chips" in the prevailing economic climate.

Many high income funds are geared up with a certain steady percentage of preference shares.

It is well to find out exactly what that proportion is. Preference shares tend to have a yield

advantage at the outset, but in a rising market they will drag down the underlying value of your units.

Income funds are a particularly good investment for the low or nil taxpayer. Dividends are always paid net, but they will be accompanied by a tax credit assessed at the standard rate. If you pay tax below this rate, or you don't pay any tax at all, you can reclaim the money from the Inland Revenue. If you pay at a higher rate, the credits can be used to offset part of that liability.

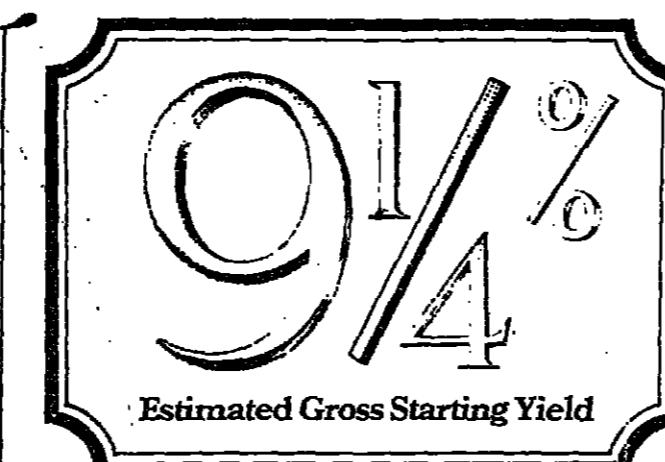
If you already hold units, incidentally, there is one reason why you might consider selling this year. Since April 1, 1977 (retrospectively from April this year) unit trusts have been paying a concessionary capital gains tax rate of 10 per cent. But up to March 31, 1979, unit holders will get a tax credit for the old rate of 17 per cent which can now be used if your gains do not exceed £5,000.

**ENTICING INCOME**

FUND	OFFER PRICE (pence)	14/6/77 14/6/78		YIELD 16.6%
		% change	16.6%	
Allied Bambro High Yield	57.1	74.9	31.0	7.9
Arbuthnott Preference Fund	26.1	27.3	4.5	12.1
Extra Income	101.5	112.8	11.0	11.3
High Income	38.2	44.0	15.0	9.1
Barclays Unicorn Extra Inc.	25.2	30.5	21.0	8.3
Britannia Extra Income	34.2	42.5	24.3	9.3
Chieftain High Income	37.0	41.2	19.5	9.3
Lawson High Yield	46.2	51.8	12.0	11.0
M. and G. High Income	83.7	107.5	26.0	8.4
S. and P. Income	40.2	45.4	13.0	8.8

# First offer of Gartmore Extra Income Units

Limited to 10,000,000 units



## The New Gartmore Quarterly Income Plan

If you want a high regular income, Gartmore can now offer you the Quarterly Income Plan. Under this plan your investment is shared between the new Gartmore Extra Income Trust and Gartmore High Income Trust. Both of these unit trusts pay income half-yearly, but on dates 3 months apart. This results in quarterly income distributions on 15th March, 15th June, 15th September and 15th December. So you get your income when you need it to pay your bills — quarterly.

### What would you receive?

On 15th June, 1978 the offer price of Gartmore High Income Units was 63.3p to give an estimated gross yield of 8.45% p.a.

On this basis, assuming you invested your money equally between both trusts, you would receive an average estimated income (in quarterly instalments) of 8.85% p.a. This will naturally vary slightly from quarter to quarter.

Gartmore High Income Trust is invested mainly in high-yielding equities in a wide range of industries and some fixed-interest investments.

Investors who purchased units in this trust when it was launched in March 1975, have seen the offer

price of units increase by 131.0% compared with a rise in the Financial Times Industrial Ordinary Share Index over the same period of 72.2%. In addition, they have received a steadily growing level of income payments which now total £48.35 gross per £100 invested at the launch.

To invest in the Quarterly Income Plan, please complete the coupon below and send it with your cheque. The minimum investment in each trust is £200, so you need only £400 to take advantage of the Quarterly Income Plan. Your first income payment will be made on 15th September.

All applications will be acknowledged and certificates will be forwarded by the Registrar before 10th July, 1978.

You can sell your units back to the Managers at not less than the minimum bid price on any dealing day. You will receive a cheque within seven days of the Managers receiving your renounced certificate.

Gartmore Extra Income Trust is constituted and administered by a Trust Deed dated June, 1978.

Income will be distributed on 15th June and 15th December each year.

Gartmore High Income Trust is constituted and administered by a Trust Deed dated 20th October 1973.

Income is distributed on 15th March and 15th September each year.

Distributions on both trusts are paid after deduction of income tax at the basic rate. Income tax can be reclaimed from the Inland Revenue if you are entitled to do so.

Both trusts have an initial management charge of 5%, which is included in the price of units. Out of this the Managers will pay commission of 1% to their agents. There is an annual charge of 1% of the value of the fund which is deducted from income, and which is already allowed for in the estimated current yield.

The Trustee is the Trustee of Gartmore Fund Managers Limited, 2 St. Mary Axe, London EC3A 8BP. Telephone 01-382 3532.

Directors: D. D. Dickson (Chairman), W. Campbell, A. C. A. M. Attwells, A. J. R. Collins, S. Stevenson, J. C. J. A. Thompson C.A.

This offer is not available to residents of the Republic of Ireland.

## The Gartmore Credentials

### WHAT MAKES GARTMORE SO POPULAR WITH PROFESSIONAL ADVISERS?

More than two-thirds of the money invested in Gartmore unit trusts has come not direct from the public but through stockbrokers, banks, solicitors and other professional advisers.

Gartmore Fund Managers have over £30 million under management. They are

### GARTMORE

## APPLICATION FOR Extra Income Units

Fill in the coupon and send it now to: Gartmore Fund Managers Ltd, 2 St. Mary Axe, London EC3A 8BP. Tel: 01-382 3532.

*(Not to be sent to Gartmore Extra Income Trust, 2 St. Mary Axe, London EC3A 8BP. Telephone 01-382 3532.)*

I We should like to invest £

In Gartmore Extra Income Units at the initial offer price of 25p per unit. (Minimum £200. Offer closes on 8th July, 1978 or when fully subscribed.)

I We enclose a remittance, payable to Gartmore Fund Managers Ltd.

*Tick Box:*

If you are an existing Gartmore unitholder.

If you want maximum growth by automatic re-investment of net income.

If you would like details of our Share Exchange Service.

I We declare that I am not resident outside the Scheduled Territories and that I am not acquiring the unit or units in any part of my personal residence outside the Scheduled Territories. (If you are unable to sign this declaration it should be signed and your application lodged through an authorised depositary.)

SURNAME/MR. MRS. MISS.

FIRST NAME/IN FULL.

ADDRESS

SIGNATURES

*(Please print clearly in block capitals and sign in full.)*

### APPLICATION FOR Quarterly Income Plan

To: Gartmore Fund Managers Ltd.

2 St. Mary Axe, London EC3A 8BP. Tel: 01-382 3532.

I We enclose a remittance, payable to Gartmore Fund Managers Ltd.

\*For your guidance the offer ruling on 15th June, 1978 was:

Gartmore Extra Income Units 25p.

Gartmore High Income Units 63.3p.

*Tick Box:*

If you are an existing Gartmore unitholder.

If you would like details of our Share Exchange Service.

I We declare that I am not resident outside the Scheduled Territories and that I am not acquiring the unit or units in any part of my personal residence outside the Scheduled Territories. (If you are unable to sign this declaration it should be signed and your application lodged through an authorised depositary.)

SURNAME/MR. MRS. MISS.

FIRST NAME/IN FULL.

ADDRESS

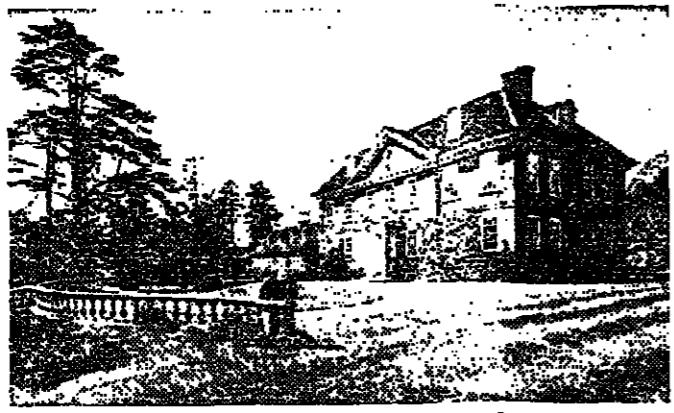
SIGNATURES

*(Please print clearly in block capitals and sign in full.)*

## Brown & Merry

### BEDFORDSHIRE/ BUCKINGHAMSHIRE BORDERS

London 46 miles (M1 Junction 13-14 miles)  
Bletchley Station 6 miles (Eurostar 44 mins.)



A SPLENDID WILLIAM AND MARY HOUSE IN  
DELIGHTFULLY CLASSICAL GROUNDS OF

ABOUT 10 ACRES

MAIN HOUSE: Hall, 4 gracious reception rooms, usual domestic offices, 4 principal bed-rooms, dressing room, 4 secondary bedrooms, 5 bathrooms. Full central heating. THE LONG ROOM WING WITH THE LONG ROOM (16' x 64'), EXTENSIVE GARAGING, COACH HOUSE, OUTBUILDINGS. Paddock over 5 ACRES (left). Waller formal and vegetable gardens and further grounds extending to about 5 Acres. FOR SALE BY AUCTION WEDNESDAY, 13th JULY, 1978. COUNTRY HOUSE DEPARTMENT, WOOLLERTON HOUSE, WENDOVER, BUCKS, TEL: 0296 622855.



### MESSENGER MAY BAVERSTOCK

Established 1882 Chartered Surveyors

### WEST SURREY

Between Guildford and Farnham

### WHITE LANE FARM

A residential arable/stock farm, 182 acres. Modern House, 5 Bedrooms, 2 Bathrooms, 3 Reception rooms. Fine Kitchen, Office. Modernised Cottage. Extensive Outbuildings and Productive Land.

AUCTION 20th JULY

8, QUARRY STREET, GUILDFORD (0463) 72992.

### WEST SURREY

On the hills between Guildford and Dorking

### ATTRACTIVE RESIDENTIAL ESTATE

Period house, 8 Bedrooms, 3 Bathrooms, 2 Reception rooms. Study. Domestic Office. Central Heating. Staff Cottage and Modern Bungalow. Adaptable Farm Buildings. Paddocks and Woodland. Suitable for equestrian use—57 acres.

AUCTION 20th JULY

8, QUARRY STREET, GUILDFORD (0463) 72992.

### JOHN D. WOOD

KENT—only 30 miles from Central London between Sevenoaks (5 miles) & Tonbridge (4 miles)

### THE UNDERRIVER HOUSE ESTATE

#### UNDERRIVER, KENT

comprising (as separate Lots)

The mainly Eighteenth Century Underriver House, 5 Rec. Rooms, 7 Principal and 6 Secondary Bedrooms. 4 Bathrooms. Off Fired. Central Heating. Nine Looseboxes and Tack Room with Kailed Paddocks, Gardens and Grounds. 11 Acres

Period Coach House and Cottage

for further conversion with 11 Acres

Entrance Lodge with Paddock & Ornamental Pond 1 Acre Pair of Cottages for conversion with Kentish Barn and 41 Acre Paddock. Squash Court & Buildings for Recreation. Two Semi-detached Cottages overlooking Farmland.

90 ACRE HOLDING WITH BUILDINGS. Fourteen Parcels of Agricultural Land and Paddocks from 3 to 42 Acres

339 ACRES IN ALL

FREEHOLD WITH VACANT POSSESSION

(except for Three Service Occupations)

For Sale by Auction in 20 Lots (unless sold privately) at Blighs Hotel, Sevenoaks on Wednesday 26th July 1978 at 3 pm

Joint Auctioneers: John D. Wood, 23 Berkeley Sq., London W1. Tel: 01-581 9620 (ref. JWB) Taylor and Teller, 1 Dorset St., Sevenoaks, Kent TN13 1LL (ref. 54151)

### SMITH- WOOLLEY

CHARTERED SURVEYORS - CHARTERED LAND AGENTS

On the instructions of The Duchy of Cornwall

### Gloucestershire

Cirencester 3 Miles

### A FINE COTSWOLD STONE MANOR HOUSE

4 reception rooms, 12 bedrooms, 4 bathrooms  
3-bedroomed modernised cottage

Dovercourt (Listed Grade I). Garaging, Stables  
Coach house. 2 walled gardens

Previously used as a private school

EXTENDING TO NEARLY 4½ ACRES

A further 20 acres adjacent could be made available  
FREEHOLD FOR SALE PRIVATELY NOW  
OR AUCTION IN THE SUMMER

8 Oxford Street, Woodstock, Oxon. (0893 811624)  
also at Ashwell, Herts; Collingham, Notts. and Diss., Norfolk

### Herefordshire/Worcestershire/Shropshire Borders

Within easy reach of the market towns of Tewkesbury, Wells, Ludlow and Leominster  
515 ACRES (IN FIVE LOTS) OF  
EXCELLENT PASTURE AND ARABLE LAND

all offered with  
vacant possession upon completion of purchase

Subject to Conditions and to prior sale

IN FIVE LOTS, 19, 38, 170, 140, 47 and 148 acres

At the Porchills Hall, Ludlow

ON MONDAY, 10th JULY, 1978 AT 3 P.M.

Auctioneers: McCARTNEY, MORRIS & BARKER  
LUDLOW. Tel: 2251.

Vendors' Auctioneers: Bristow, Cooke & Carmichael,  
10 Lutteridge Hill, Finsbury, London, N.C. Tel: 01-342 0462

LYNDHURST—NEW FOREST  
Outstanding site adjoining and with direct access into open Forest, yet within walking distance of High Street, Southampton 10 miles.  
THE INTERESTING FREEHOLD COUNTRY RESIDENCE  
YEW TREE MANOR, LYNDHURST

Period Manor House of great charm and character in exceptional order throughout. 7 Bedrooms, 2 Bathrooms. Cloakroom, Dining Hall, 3 further Reception Rooms. Excellent Domestic Offices. Full Gas Fired C/H and Double Glazing. Used for Commercial/Guests for 3 Cars. Range of Outbuildings including Barn and Stable. Heavy Stone walls. Paved courtyard. Landscaped Grounds with adjoining Paddocks, in all about 7 ACRES.

AUCTION—ON THE PREMISES FRIDAY NEXT 23rd JUNE, 1978 at 3.00 p.m.

30/34 London Road, Southampton. Tel: 0703 25155

FOX & SONS

## PROPERTY

# Attractions of associations

BY JUNE FIELD

HOW MUCH extra does the fact that someone with a known name has lived in the house put on the price? Quite a bit, I suspect, looking through the current crop of "association and Gazetteer of the British houses". And, of course, the *Isles* by Michael Hardwicke (David and Charles, 1973), the names of such distinguished persons as the Poet Laureate, the Leader of the Opposition, (1865-1936), poet and novelist, and even a television medico who lived between 1896-97 at Maidencome, an unspoilt village three miles from Torquay

Literary associations have a strong pull, whether they go with the best stories here, included with an actual property, or just The Day's Work, 1898. The place. Prospective buyers locals will tell you that he found desirous of living somewhere Rock House, where he lived. that inspired poems or books, rather dismal and depressing, would do well to invest in The Oxford Literary Guide to the British Isles, edited by Dorothy Eagle and Hilary Carnell (published by Oxford University Press, 1976, £3.95).

Entries range from Abbotts

ford, the home of Sir Walter Scott, to Zennor, the Cornish village where D. H. Lawrence and his wife lived in 1916-1917.

Langley Manor is now for sale at around £60,000-£70,000, its setting as beguiling as ever. Or there is A Literary Atlas of Britain, which contains 4,500 entries including one on Rudyard Kipling (1865-1936), poet and novelist, and even a television medico who lived between 1896-97 at Maidencome, an unspoilt village three miles from Torquay

Langley Manor is now for sale at around £60,000-£70,000, its setting as beguiling as ever.

Betteworths, 29 and 30 Fleet Street, Torquay.

"Safe in a world of trains and buttered toast

Where things inanimate could feel and think

Deeply I love thee, 31 West Hill

At that hill's foot

did London then begin...

John Betjeman wrote in Summoned by Bells, 31 Highgate West Hill, London, N.6, the childhood home of Sir John Betjeman. Poet Laureate, is being sold by its present owner, poet and writer Iain Hamilton. The house is one of a period terrace of five, known as the "Captains' Houses," reputedly built for five of Admiral Nelson's retired naval officers. It has a small front garden, and there are four bedrooms and two living rooms. Chesterton, 28 Clifton Road, London, W.8, is asking £65,000 for the freehold.

What price a blue plaque? There is one on the front of Peel Cottage, Peel Street, Camden Hill, London, W.8, recording that Sir William Russell Flint RA, lived there, and offers in excess of £200,000 are being sought by Knight Frank and Rutley, 29 Hanover Square, W.1. It is a unique house with a magnificent lofty galleried north-light studio, around 64 feet long, with a balcony on one end overlooking a pretty courtyard garden. A panelled library/study has built-in glass-fronted oak bookcases, and there are four bedrooms and two bathrooms, plus a s.c. housekeeper's flat.

How would you feel about living in a charming mews ent-

ering owned by Mr. Neville Bywaters, senior consultant Knight Frank and Rutley.

Patrick de Laszlo, son of the painter, and chairman of the Association of Independent Businesses, formerly the Smaller Business Association, is selling his home, Wonham Manor, set in 72 acres near Betchworth, Surrey. The price tag of £1m includes all the contents. It's a magnificent castellated and turreted Georgian-Gothic house, built about 1787 by the Hon. Charles Marsham, later Earl of Romney. For your money you get a reception hall, 4 living rooms, picture gallery/ballroom (the paintings are not included in the price), 9 bedrooms, 3 bathrooms, plus a pavilion wing with a sauna, party room, 3 more bedrooms and a bathroom. Three cottages, 2 lodges, 8 stables, garage block, hard tennis court, and over 2,500 ft

living in a charming mews ent-

ering owned by Mr. Neville Bywaters, senior consultant Knight Frank and Rutley.



Friendly Hall, St. Lucy, Barbados, elegant century plantation house in 20 acres, position with commanding views across 1-mile sea frontage leads directly down to Maycocks Bay with its superb sandy beach for swimming. There are 4 bedrooms, and a detailed brochure from the owner, who is asking U.S.\$250,000.

### Caribbean tau

THE GARDENS at Friendly with kitchen

Hall, St. Lucy, Barbados, run the encha-

down to the cliff edge, with the sea and superb sandy beaches

from Brik

Maycocks Bay some 75 feet

below. Sitting on the small terrace at the very edge, I was told

the sad tale of the young girl

who threw herself down to join her waiting lover all those feet below because her stern father, a former occupier, would not let her marry. The present owner, who is selling the 18th century coral stone plantation house,

has a fund of historical associations

to relate to this gracious

hideaway in 20 acres of tropical on the ex-

garden rich in Flamboyant, Estate.

Frangipani, and Pride of India. The n

palms, paw paw and Hog

plum. (Watering is no problem by a small

sprinkler system.) The taste

of the house is Barbados

Shib

modernised, has a long cool

verandaed living-room and ter-

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has a fund of historical associations

to relate to this gracious

hideaway in

## MOTORING



Long living jaguar

## Age and beauty

BY STUART MARSHALL

CAN IT really be 10 years since I can think of, bar two. Those Unless you are prepared to have the Jaguar XJ6 burst on the Peugeot 604 on the noisy fan full blast or to motoring scene and became the Michelin, and the BMW 733 open a window, the XJ 3.4 gets sensation of the 1968 Motor Show? It sold at less than £1,800 with a 2.8 litre engine and manual transmission; even the 4.2 litre automatic was just under £3,400.

The motoring world has changed beyond recognition since then, but the Jaguar XJ hardly at all from the outside. The 2.8 engine was dropped five years ago. Some interior restyling has brought the Victorian sideboard-type facia into line with safety requirements, though there is still enough woodgrain to please traditionalists.

Now there are only two six-cylinder Jaguar saloons, the XJ 3.4 and XJ 4.2. You can have them with manual gearbox plus overdrive working only on top gear, or automatic transmission for the same price—£9,290 for the 3.4 litre, £9,753 for the 4.2, which comes complete with things like leather seats that the smaller-engined car lacks.

How does this 10-year-old car measure up to its price-class rivals from overseas? Really, very well indeed. The ride quality is still quite outstanding. You can pay twice as much money for a car and still not be so effectively insulated from the road surface.

The Jaguar's soft, all-independent suspension and Dunlop textile-belted 70 series radials were literally made for one another. Together, they smother the bumps and stifle road noise more effectively than any other car/tire combination.

## CHESS

LEONARD BARDEN

CHESS IS flourishing on Britain's offshore islands. There are annual Jersey and Guernsey festivals, and now plans for an inter-island league played by telephone, and sponsored by Lloyd's Bank, Anglesey, the Isles of Man and Wight, Orkney and Shetland, Guernsey, and Jersey are all expected to take part, but the organisers would like to contact a chess club in Canvey Island, Shepperton, the Scilly Isles or the Western Isles to make up an even number. Any offers?

Jersey and Guernsey, who compete with a joint team in the biennial chess Olympiad for the world championship, would be favourites to win such a league. The latest Jersey congress, sponsored by Lloyd's Bank and held in April this year, attracted the usual strong entry and was won by David Part, son of the London Stock Exchange's best player, two pawns in a critical line.

## CHESS

LEONARD BARDEN

White has usually come out on top in practical play until now, as shown in this week's game and notes; but the debate is far from over.

White: Nigel Short. Black: D. Stokkel (Holland). Opening: Modern Defence (Jersey, 1978).

The opening moves were 1 P-K4, P-KN3; 2 P-Q4, B-N2; 3 N-Q3, P-Q3; 4 B-Q4, N-KB3.

5 Q-K2, N-B3.

Earlier articles here analysed 5...P-K4; 6 P-P, P-P; 7 B-KN5, or 5...P-B3; 6 P-K5, P-P; 7 P-P, N-Q4; 8 B-Q2 followed by 0-0-0, and finally 5...0-0; 6 P-K5, P-P; 7 P-P, N-K1; 8 P-B4, P-QB3; 9 N-B3; 10 B-K3 as all favourable for White.

The three pieces for the queen and two pawns line is 6...N-QP; 7 P-N, N-KP; 8 P-B6, R-KN1; 9 N-KB3; 10 B-KR6, R-KN1; 11 0-0-0, when White can use his pieces to break down the pawn barricade, e.g. 11...P-K4; 12 N-P, ch, K-N1; 13 R-P, Q-NR7 (White wastes no time capturing the knight but exploits his advantage in development); 13...B-P, 14 P-K4, B-K3; 13 BxP, P-B6; 14 N-K4, K-Q2; 15 B-N5 followed by 16...P-B3; 17 BxP, P-B6; 18 P-Q4; 19 R-P, BxN; 20 P-B6; 21 P-B7; 22 Q-NR7, BxN; 23 P-B6; 24 Q-NR7, BxN; 25 Q-NR7, K-N1; 26 Q-B4, P-K3; 27 P-B3; 28 Q-R2 ch, K-R3; 29 P-B6; 30 Q-NR7, BxN; 31 Q-K7ch, K-R3; 32 Q-K3 ch, K-R3; 33 Q-K5 ch, Resigns.

Since 6...N-Q2 fails to 7 N-B3, B-B4, ch, K-R1; 10 N-K4.

Since 6...N-Q2 fails to 7 N-B3, B-B4, ch, K-R1; 10 N-K4.

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## HOW TO SPEND IT

PICNICS can be hell: Too much sand, too many flies, too much rain, lousy food, biting winds and too many other people—these are just some of the hazards with which picnics can be beset. On the other hand when a picnic is perfect, I can hardly think of a nicer happening in the whole social calendar. We had one such perfect evening recently at Glyndebourne when a combination of exquisite weather, delicious food, marvellous music and old friends contrived to add up to one of those golden days you remember for a long time to come.

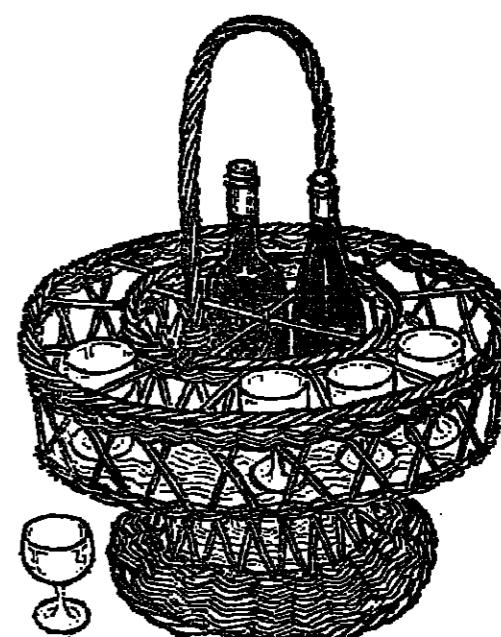
Looking at all the picnickers and the elegance with which they had spread their rugs, laid out their tablecloths and even set up their tables made me realize just how well the British can do things when they really put their minds to it. Though it seemed to me that ours was quite the most perfect of all the picnics I could glimpse (Pimms to start with, then cold watercress soup served in French white bowls, salmon trout with sauce verte and salads, strawberries and great bowls of cream) there was none the less no group visible that hadn't gone to a great deal of trouble over food and drink. All a far cry from plastic sandwiches and salads stained with beetroot. The equipment they all owned, too, was such that lead me to believe that picnicking must surely be a larger part of the British way of life than I had ever imagined. Nobody could surely buy all that just for one or two outings a year?

The real essentials for a successful picnic seem to be a good collection of coolie bags—into these you can fit white wine, champagne if you're lucky, bags of ice and Freezella bags, and the combined package should arrive well chilled on even the hottest of days. Our friends had bought a large and simple picnic basket from Habitat and this held all the glass, china and cutlery for our party of eight. The other essential is either lots of small or one large vacuum-flask for providing hot coffee or, on colder days, hot soups. Once you're organised for transporting these essentials you can then decide which of the extras are important to you. I have an aversion to plastic plates and mugs myself and feel that the touch of glass and china adds a great deal to the event; however, if there is much carrying to be done or far to walk then plastic is certainly much lighter. Though elegant picnics, like those at Glyndebourne, Ascot and the like, are not the stuff of everyday life, I think it's worth taking trouble to do them well—the pleasure of the event extends way beyond the hours of its duration, and lingers in the memory for years.

For this week I've gathered together just some of the props that will come to your aid if you, too, want to plan an event of this kind. Nobody will want all of them, but a few of them will certainly go some way to providing the right backdrop to a "plush picnic."

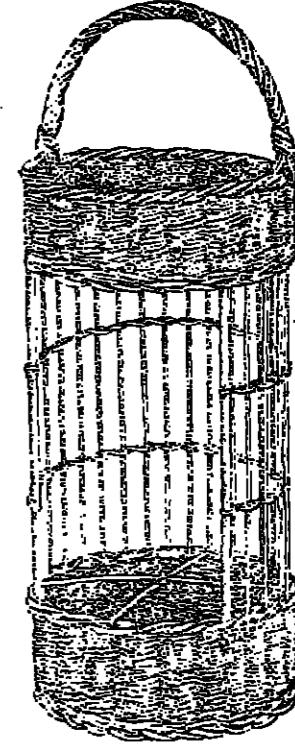


by Lucia van der Post



AT SOME of the outdoor events I occasionally go to vast amounts of drink seems to be inseparable from the enjoyment of the occasion. How then do you transport lots of different bottles and their accompanying mixtures? Wicker baskets, specially made for the purpose, seem to be the answer. Here are two solutions to the problem.

Above, is a willow portable "bar" that is 21 ins high with a diameter of 19 ins. It holds four bottles and 12 glasses and is good looking to boot. A company called Roundabout, of 2, Topiary Square, Richmond, Surrey, which has until now specialised in willow cradles for babies, has started importing and selling them by mail order for £18.25 with free delivery in central London and a delivery charge of £1.25 elsewhere in the UK.



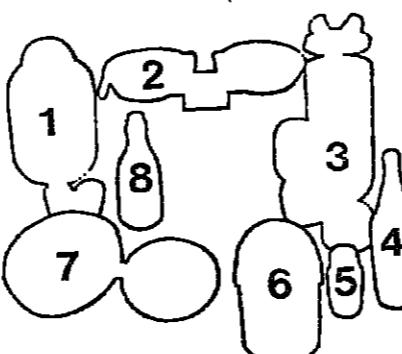
(80p p &amp; p) from Jacksons of Piccadilly, 171 Piccadilly, London, W1.



IF YOU aren't catering for large numbers but would like a pretty vacuum flask that will keep liquid hot or cold Jacksons of Piccadilly has a very pretty selection. The one sketched here has a black background and is decorated with sprays of pink flowers and green leaves but there is a tomato red version with white and yellow flowers or white with sprays of orange and yellow flowers. The flasks all hold one litre of liquid. £11.90 (p & p 86p).

1—For large picnics, where you have numbers to look after, this large insulated flask will hold 7.2 litres of liquid—either hot or cold, depending upon the day. Much the most efficient way of transporting drinks, it is simple to use providing the instructions are followed. It has a handle for easy carrying and inside the beaker-style top is a container holding disposable beakers, so you won't need to carry cups separately. Made in Italy, it costs £15.95 from Head's, of 196 Tottenham Court Road, London W1, who will post it for £1.09 extra.

2—This is the latest portable barbecue from the Hibachi stable. It consists of two separate but linked griddles. It can be easily carried (but it is heavy), because the two sides fold together and with the two handles form a shape rather like a circular suitcase. Made from cast-iron like all the Hibachi models, this one is different from previous models in that spikes let the ash drop away but when packed together the briquettes or fuel is automatically extinguished and can be re-used later. The 12 inch size is £17.70, 14 inch size is £21.00. Both from Harrods of Knightsbridge (£2.60 p&p).



either hot or cold so you could, for instance, have hot soup, followed by goulash followed by ice-cream after all, not many days in England are entirely suitable for all cold food. It all makes a very compact package: about 14 inches high but it is expensive. The outer stainless steel container is of bright blue, the inner ones are of plain aluminium. £42.80 (p&p £5.00) from Diversitudo of 68, Marylebone Lane, London W1.

3—In the special glass container. This particular set is embellished with a charming design of yellow birds, sun and clouds on a blue background. There are plain versions which are cheaper. The wine cooler is £5.95 (£1.35 p&p), the ice-bucket is £2.95 and this together with four glasses (at £2.25 each) could be posted for £1.80 p&p. All from Harrods of Knightsbridge.

4—Though I'm not wild about plastic or melamine plates they are certainly much lighter to carry and, of course, don't break. Harrods have some exceptionally nice patterns at the moment of which this design was the most pleasing. They are expensive (for seem so to me) but they should last for a long time and then manage to make melamine look as elegant as possible. The background is white, the bamboo stems and leaves are green. An eight inch plate is £2.95, 9 inch is £3.00 high but it is expensive. The outer stainless steel container is of bright blue, the inner ones are of plain aluminium. £42.80 (p&p £5.00) from Diversitudo of Knightsbridge.

5—A wine cooler, 5, a glass cooler and 6, an ice-bucket are all from what is known as a Glacette set. These are devices for keeping drinks cool—the ice-bucket keeps the ice in good condition, the wine cooler keeps a bottle cool while the temperature of the drink in the glass will be preserved.

6—If you want to take non-alcoholic drinks like home-made lemonade or ginger-beer this charming china bottle is in white with stripes of green and yellow. It has its own fire-proof stopper and is £6.75. Because it is china it is expensive to pack so p&p is £2.20 from Harrods of Knightsbridge.



ROBERT JACKSON of Piccadilly is having a special picnic paraphernalia. For a free copy send a s.a.e. to Shirley Graham, Ellis, 12 Dagmar Terrace, London N1. Among the small ideas long it is well worth going along for then you can see a large amount of merchandise and mayonnaise—very good idea ideas all laid out together. In as they are so easy to pack and, the meantime they have produced a sheet of ideas which readers can send off for—charming line drawings illustrate free picnic knife and fork in things like barbecues and smoky brown plastic with each barbecue tools, hampers, tube.

HAMPERS is a relatively new butter, salt and pepper, salad set-up but it seems to me a good dressing, sauces, finger cloths, corkscrews and even toothpicks.

You can choose a meal as simple or as luxurious as you like and know that you can just turn up on the day and find the whole thing ready to collect and enjoy.

The pick-up points at each site are very clearly shown on small maps that the firm supplies. They seem to me to cover most of the major sporting events (including Wimbledon, polo, Bisley, archery and Cowes Week) but if by any chance they have forgotten something they ask potential customers to let them know and they'll see if they can help.

If you think you'd like a hamper, filled according to their tastes and purse, and then collect it on the day at the site of the event.

The food offered is on the whole the sort of simple food that best suits outdoor eating—cold meats or salmon, crab or lobster, if in season, salads, cheeses, desserts of fresh fruit or gateaux, as well as champagne, wines or lagers and soft drinks. Prices do not seem to be excessive for the service per get in touch with Hampsers offered and Hampsers aim to add Timber Vale, Grendene, East Polesden Lacey Open Air Theatre and so on—may order a hamper, filled according to their tastes and purse, and then collect it on the day at the site of the event.

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YOU MAY have noticed that the beauty business is becoming rather besotted with a new word—fragrances. My theory is that the British were so bemused by Nancy Mitford with her U and Non-U and that they got so tired of trying to remember whether scent or perfume was the word to use that they fastened happily on to this transatlantic face-saver. In any event it is a word that many of the beauty houses now use and for those who like the product, however it is described, there are three lovely new ones this summer.

Perhaps the lushest, most sensuous, most evocative is Bluebell by that lovely old firm of Penhaligon's recently revived by Sheila Pickles and established in a charming shop at 41 Wellington Street, Covent Garden, London WC2.

Bluebell smells, most evocatively, of, yes

—bluebells. It is very floral and very special and is only available in a ½ oz bottle of extract £12.50. If you want to buy from Penhaligon's by mail order they run an efficient service and provide a charming booklet and order form for £1.00.

Also new this summer is a new fragrance from the House of Floris. It is very fresh, very pretty and also very floral. Called Florissa, it comes with a lovely collection of ancillary products—bath essence, talcum powder, soaps and so on. The perfume costs £16.50 for 60 ccs while the toilet water costs £9.50 for 210 ccs.

L'Oréal's new fragrance, Eau Jeune, is less floral, less heavy, very slightly tangy and must be the ideal hot weather fragrance. Eau de toilette is £3.50 for 240 ml, while the spray is £2.95 for 145 ml.

ANOTHER OF those ideas so good that one wonders why nobody ever thought of it before—a service to help working mothers share a nanny. When my children were young enough to need constant care nannies of the good, old-fashioned sort were quite astonishingly badly paid. I still blush when I recall the salaries. Nowadays, however, as anybody who has recently tried to hire one will know, they come very expensive—they need a private life like everybody else, they need to eat and be clothed and have a nanny department of The Nanny Service, Oldbury Place, London, W1M 3AJ. Tel. 01-935 6976.

## Pick your own

THERE'S something rather nice about the idea of picking one's own strawberries, broad beans, apples or whatever. Gentle, rustic visions of country baskets overflowing with the healthy produce of the land come to mind. For those with freezers it is a wonderfully economical way of filling it to provide memories of summer in the winter months. For those without freezers it is a good way of finding fruits for jams and preserving.

However, some of the problems have always been knowing exactly which farms allow you to pick your own, when which crops are at their best and at what time the picking is allowed. Home and Freezer Digest (which is, incidentally an excellent magazine for freezer owners) has provided a marvellous service in its

latest edition (the July issue) by listing farms all over the country where you can "pick your own."

They are listed by county with full addresses given and, wherever possible, telephone numbers so that you can check the state of the crop you've got your eye on.

Symbols have been used to

indicate whether the farm grows

berries, fruits from trees like

apples, plums or pears, leaf

vegetables or root vegetables.

The pullout in this month's Home and Freezer Digest runs to 16 pages but already it seems such a success and such a good idea that a book is being planned. Besides the pullout section there are some very good recipes for freezing the

summer berries—all in an

excellent value at 20p per copy.

privacy is another. Sharing a nanny between families could be a very good solution. The nanny can be paid a very good salary, enough for her to pay for her own living accommodation, if she is employed by more than one family. At the same time the children get the company of other children and the security of a familiar, daily figure to care for them.

At the moment the service is only offered in the London area. Anybody who thinks that sharing a nanny could be what they need should contact the Share-a-Nanny department of The Nanny Service, Oldbury Place, London, W1M 3AJ. Tel. 01-935 6976.

However, money is not the only disadvantage; lack of 6976.



## Make it yourself

IF YOU want something inexpensive and up-to-the-minute to cheer up your holiday wardrobe then for a small outlay and up to 10 hours of your time you could have either of the two garments photographed here. The patterns have been devised to use ICI's new handknitting yarns that contain Bri-Nylon. As you can see the patterns, available free to Financial Times readers, enable you to make either a long, slinky vest-like dress (very fashionable on summer beaches) or, by stopping the pattern half-way, a sun-top.

The dress would take the average crocheter about 10 hours to make, the sun-top would take about four hours. Mayfield Beaulon Crepe 4-ply yarn is the one for which the pattern has been designed and the yarn comes in a good range of lovely, sunshiny, summer colours. A 25-gm ball costs 25p and this means the dress would cost about £5.25 in the smallest size (32 ins) or £6.00 in the largest size (38 ins). The sun top, similarly, would be either £1.00 or £1.50.

If you'd like the pattern just send a stamped addressed foolscap envelope to: Sundress Pattern, How to Spend It Page, Financial Times, Bracken House, 10 Cannon Street, London EC4.



## ARTS/COLLECTING



Bob Dylan in action at Earls Court

## Times changed

Any doubts that Bob Dylan is Las Vegas-like sophistication, the most impressive composer completed with a three girl back-up and performed by rock group. He has not moved music were dispelled at Earls Court on Thursday night when the times and became the best he started a week of concerts, his rock singer on the road because his melodies exploit the rhythms in the music, and his lyrics are the life stories of his audience.

The first Dylan concert was a series of revelations—his voice, less affectedly strangled than in the past; his dominating presence onstage—the band was kept very much in its place; and above all, his musical imagination. Many of the standard Dylan songs were given original, sometimes perverse, original interpretations. Don't think twice, it's alright, became a reggae piece; All along the watchtower had an almost Jimi Hendrix-like rawness, with some powerful violin from David Mansfield thrown in; Maggie's Farm was punched through with rock chords; and Just like a woman came close to Tamla-Motown, with a sad loss of plainness. In the main, though, the updating worked wonderfully, and inspired the band to unexpected heights.

But then suddenly he is singing like a Rolling Stone, spitting out the hypnotic lyrics and pulling the band together with mounting tension. By the end the audience is on its feet, relieved to know that Dylan can still express all the passions of a generation through the universal art form of the generation, rock music. From then on Dylan was magnetic, displaying a charisma that is quite unexpected. It is easy to see what all the fuss is about. It is a long way away from the small ungracious boy from the mid-west who arrived in New York City in 1961 and started, virtually single-handed, the contemporary folk movement. Only when a dangerous version of Twisted up in blue was Dylan alone centre stage and even then a saxophone, a player and an organ, were supporting around the edges. Now Dylan puts on an act with almost

BOB DYLAN  
ANTONY THORNCROFT

The encore was *Times they are changing*, an historical curiosity now rather than the inspired indictment it seemed 15 years ago, and then the lights were up and a shell-shocked audience shuffled into the night. Dylan had been on stage for two hours. He looked relaxed, amiable, quite interested in the job. He ignored many of his greatest songs in favour of later, and lighter, works, but he did enough to earn his fee and to retain his reputation in the lists of latter day heroes. The radical poet is now the rock entertainer: it could hardly have turned out better.

## Riverside Studios

## Treetops

Nicholas Wright has been point is made in the analysis of individual decisions. Rusty's friend, Leo Skiba (played by the admirable John Bluthall) is disappointed when Rusty sacrifices tutes for heroics by sending a telegram from a Post Office counter for non-whites. Leo is writing a column for the Left-wing *Sentinel*, and attacks Rusty who, by now, is selling the newspaper on the streets; he has been to prison and left his wife (Gillian Barge). Although the piece is firmly set in its period of post-War colonial confusion—the title is the name of the Kenyan humbling lodge where Princess Elizabeth heard of the death of her father—one of its great merits is that it is not confined by that setting.

John Burgess's production is not afraid of lingering—seenously as the young boys pursue each other on bicycles through the countryside; or as Rusty's wife, stewing in her own liberal juice, laboriously proposes a cut in salary for her coloured maid on a stage dazzlingly transformed by a traverse washing line of white sheets. The chips are finally down at a vividly presented public meeting where Leo receives a telegram denying his freedom of speech as he invokes the passive resistance argument of Ghandi. And, earlier, we have seen a broken Rusty meet up on a public bench with his wife in the shadow of Rhodes as all around them celebrate three centuries of white rule.

It is, in short, an extraordinary story given a richly poetical parallel in the friendship of their respective sons. In their adolescent rough and tumble differing political attitudes are ingeniously interlocked through a relationship that is innocent but increasingly less so. The Scotsman, Rusty Walker, brilliantly played by Bill Paterson, is preparing a manifesto in the head-quarters of the Torch Command to open membership facilities to achievement and, in addition to those mentioned, Judith Harte, as a poignant obituary for lost Lila Kaye and the two boys—hopes, the humanity, of the Joff Wild and David Sassieni, not characters is never sacrificed for all at "Italy Conti"—make telling contributions to a memorable sake of broader canvas effect.

As in David Edgar's *Death in the Evening*.

## More for Tate

A group of 36 sculptures by Henry Moore promised to the Tate Gallery by the artist in 1969 has now been handed over. The Gallery already has 38 Moore items and the new pieces will make up a unique collection of the sculptor's work.

The gift was made on condition that it should be presented initially as an exhibition. The collection will be on show from June 25 to August 28.

The exhibition includes plaster casts and finished bronzes showing in detail his method of working. Two pieces will be sited outside the Gallery overlooking the Thames. The larger, Two Piece Reclining Figure No. 2, dating from 1963-64 and weighing several tons, will be lifted into position by a crane on June 22.

A Gallery spokesman said: "This is a major gift by one of our greatest artists of some of his finest and most important pieces."

TV RATINGS  
w/e June 6

1. *Top 20 Home Viewers* (m) 13.40  
2. *Emmerdale Farm* (All-TV) 13.40  
3. *The Good Life* (BBC) 13.10  
4. *Carnation Street* (Mm.) (GRAN) 12.50  
5. *Merrie-Go-Round* (BBC) 12.50  
6. *Scallop* (BBC) 12.50  
7. *Crossroads* (Fr.) (ATV) 12.10  
8. *Wheels* (ITV) 12.10  
9. *Wheeler Dealers* (GRAN) 12.10  
10. *Crossroads* (Thurs.) (ATV) 11.50  
11. *You're Only Young Twice* (Yorks.) 11.50  
12. *World Cup* (Italy v Hungary) 11.40  
13. *Emmerdale Farm* (ITV) 11.10  
14. *Liberation* (ITV) 11.10  
15. *Scotland v Holland* (BBC) 11.00  
16. *Hulk* (ITV) 11.00  
17. *Kajak* (BBC) 11.00  
18. *Life* (BBC) 11.00  
19. *Charlie's Angels* (ITV) 10.40  
20. *Celebrity Squares* (ATV) 10.40  
21. *Tunisia v West Germany* (BBC) 10.40  
Figure compiled by Audit of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICART).

U.S. TOP TEN (Nielsen ratings)  
1. *Day At A Time* (comedy) (CBS) 27.0  
2. *Last Grant* (drama) (CBS) 26.5  
3. *ASH* (comedy) (CBS) 26.5  
4. *Charlie's Angels* (drama) (ABC) 24.5  
5. *Three's Company* (comedy) (ABC) 24.5  
6. *Laverne and Shirley* (comedy) 23.8  
7. *Family* (comedy) (ABC) 23.8  
8. *Happy Days* (comedy) (ABC) 20.2  
9. *Starsky and Hutch* (drama) (ABC) 19.5  
10. *Carter Country* (comedy) 19.5  
11. *Family Class Reunion* (comedy) (ABC) 19.5  
A Nielsen rating is not a numerical total.

## Doulton's pretty ladies

BY JANET MARSH

THE IDEA of something which is produced simply in order to be collected, and is advertised with slogans like "the heirlooms of tomorrow" always seems slightly, slightly suspect. The vast and growing army of Royal Doulton figures is perhaps the honourable exception, on account of its sheer staying powers—there has been a regular production since 1913—and the unselfconscious way in which they seem to follow a centuries' old tradition of Staffordshire pottery image making.

Their collectability—particularly for the kind of collector who prefers to see his horizons clearly drawn by a catalogue—

is now enhanced by the appearance of the massive *Royal Doulton Figures* Produced at Duxbury c.1890-1978 Royal Doulton Tableware, £20) compiled by Desmond Eyles and Richard Dennis, who for years have been the dedicated chroniclers of Doulton wares of all sorts. Upwards of 700 figures are illustrated in colour, and catalogued in the chronological order of Doulton's own pattern books.

Figure modelling at Doulton began in the 1870s with the whimsical and sometimes inspired stoneware creations of George Tinworth, whose anthropomorphic studies of mice taking tea, playing tubas or performing "Punch-and-Judy" shows are among the most desirable items of late 19th-century art pottery.

Tinworth worked at Doulton's original Lambeth factory. The 20th-century tradition belongs more to the Burslem branch, opened just over a century ago for the manufacture of fine earthenware. In 1889, while Tinworth was still at work in London, Charles J. Nokes, who had been trained as a modeller at the Worcester Porcelain factory, joined Burslem as chief of the hundreds of different crino-

line ladies which have continued to be best sellers.

It is too easy to be obstinate about the easy nostalgia and sugary sentiment of Doulton figures—the balloon sellers and Dickens' characters, the Gladyses and Priscillas and Celia and Pennies and Loretas and Sandras (the names have changed with fashion), the "Miss Demures" and "Secret Thoughts." For over 60 years they have responded to a market, sensitively reflecting the tastes of their clientele rather than trying to influence it. Just as the humble Victorian Staffordshire figures—derided and scorned in the early years of the century—accurately reflected the tastes and sentiments of the Victorian working class, Doulton figures intimate the social and sentimental values of a (surprisingly unchanging) 20th century middle class taste.

The crinoline ladies subtly combine with their nostalgia, echoes of the contemporary look of women and their clothes. Modes and styles are picked up—if perhaps a little late: the influence of Bakst and the Russian ballet, of the Japanese craze after *The Geisha* and *Madame Butterfly*; of Chu Chin Chow and Playfair's Beggar's Opera. Modified forms of Art Deco crept in, and there was even a period in the twenties when quite erotic bathing belles and nudes made their appearance. (One particularly daring figure model appears in an alternative form with a stoutly painted-on bathing dress).

The first Royal Doulton figures of the series which still continues today were finally put on the market in 1913. In some respects these early works have never been bettered. Phoebe Stabler and Charles Vyse, established artists who had exhibited at the Royal Academy, seem instantly to understand the needs of ceramic sculpture and their figures have a broad, strong, monumental quality which few subsequent Doulton artists have recaptured.

In the earliest model in the catalogue, Vyse established a particular vein of sentimentality that has been Doulton's tradition and success. It was a tiny thumb-sucking child in a actress Doris Keen in "Romance," priced at £150; and today (a reduced version is still £75). Prices for early figures have a broad, strong, monumental quality which few subsequent Doulton artists have recaptured.

Currently John Hall of Harrington Road has examples of a 1913 figure of the American thumb-sucking child in a actress Doris Keen in "Romance," priced at £150; and today (a reduced version is still £75). Prices for early figures have a broad, strong, monumental quality which few subsequent Doulton artists have recaptured.

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London  
SW1Y 6QZ

EXPERIENCE AND EXPERTISE . . . 345



A group of Chinese overlay glass snuff bottles. Sale, June 19.

18th century China saw the popularisation of taking snuff as a social convention. The Chinese, unable to pinch snuff with long fingernails, carried it in small bottles with a spoon attached to the stopper, developed from medicine bottles. Chinese snuff bottles share with jade carvings the pleasing combination of visual and tactile quality. Snuff bottles were carved from a wide variety of materials, including hardstones, glass and organic substances, and the collector may display many interesting examples of this miniature art form within a single cabinet. As objects which were in continual use, they become for the imaginative collector a link with the manners of mid to late Ching society.

The Harry Ross Collection, which will be sold at Christie's on Monday, June 19th, contains many fine and several outstanding snuff bottles; examples of the latter being a rare lavender jade uniform bottle, an emerald green jade rectangular bottle and a Peking enamel disc-shaped bottle decorated with European figures.

For information and advice on this sale, please contact Peter Button or Derek Gillman at the address above.

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A Victorian tea and coffee service repousse with chinoiserie. London 1863. To be sold on June 22nd.

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# FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

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Saturday June 17 1978

## Waiting for a sign

THE EUPHORIA which greeted the Government's package of monetarists remain bearish—credit restraints at the end of last week has proved singularly short-lived. The new long tap, greeted on announcement as the answer to a fund manager's prayer, has opened at a small discount, and the market as a whole has been drifting after its initial rebound. For the first time since he started his more or less annual manoeuvres, the Grand Old Duke of York seems to have pitched camp at the top of the hill, and signs of his next movement are earnestly awaited.

### Uncertainty

The market's second thoughts have partly been provoked by official over-enthusiasm: the inadvertent rush to take advantage of improved sentiment has flooded the market with stock, so that the fear of missing the turn—the most powerful argument for bullish sentiment—has been allayed. The market has thus been offered time to form a more considered view, and has found solid reasons for hesitation. Any attempt to form a view at the moment is simply a guess, for the available landmarks are shrouded in a dense fog of uncertainty—political uncertainty and statistical uncertainty.

The opinion polls suggest a close-run election, whose outcome could be settled by something as irrelevant as the May trade figures proved to be in 1970. The economic figures for trade, output, employment, prices, and credit are even more difficult to interpret.

For the markets, most of the important questions can be reduced to interest rates; and the only firm fact—in Mr. Hattersley's rather ambitious interpretation of that word—is that the trend of U.S. rates is upwards. However, the influence of U.S. rates on London depends on the strength of the dollar. If this depended purely on current inflation rates, and prospective trade balances and monetary growth, sterling should be relatively strong, and the dollar has already this year taken another sharp fall against the Japanese yen. However, the market does not yet regard the dollar as weak against the European currencies.

It is impressed with Mr. William Miller at the Fed, with President Carter's hesitant deflation, and with the importance of investment flows, influenced by the cheapness of U.S. assets, the recent performance of Wall Street, diplomatic accord with Saudi Arabia, and a significant flow of funds from less politically stable countries.

Unless and until the dollar

is safely past, it may be hard for the market to form any sustained view.

### Letters to the Editor

#### Exchange rates

From Mr. Malcolm Samuel

Sir—Your weekly "Economic View-point" is usually the alarm clock that opens my eyes on Monday mornings. The latest article, June 15, is no exception. I would like to make some comments on exchange rate changes.

The tendency for the ratio of value added in materials and fuel costs in manufacturing to be constant over time is familiar to students of Censuses of Production. The tendency for wages and salaries to represent a constant proportion of value added is also well-established. Such tendencies would appear to form part of the "laws of production" in capitalist societies. Although more difficult to demonstrate, it seems that these "laws" would "normally" yield constant profit margins and constant returns on capital in manufacturing industry. The habits of our parliamentary representatives, however, have produced mutations in the system—deviations from "normality" in recent years being reflected, inter alia, in wide differences between "current" and "historic" costs or in the depreciation of sterling in nominal terms.

The suggestion that like products are sold/purchased at a common price level in international markets is a refreshing reminder that purchases tend to behave rationally. As such, it is hardly surprising that nominal changes in exchange rates and in the price of manufactured goods have roughly offset each other.

With a currency depreciating in nominal terms, the cash cost of materials and fuel inputs tends to rise in relation to value added in manufacturing industry. Balance sheet values (mainly stocks) are inflated and "cash" profits fall. In terms of total "cash" cost incurred by manufacturers, the labour cost element is likely to fall. Are we guilty, therefore, of partial thinking when we isolate the labour cost component in seeking to show advantages from currency depreciation, or vice versa?

Profitability in trading activities may very well be restored as stated. Of these, 700,000 come scientific principle of a siphon called "trendy" personalities. I suspect its origins in American court to another is, as I under-

FOR MANY months BP Chemicals has been worried about its vulnerability at the "heavy end" of the petrochemicals business. Its decision, announced yesterday, to invest \$400m (£220m) in acquiring almost all of Union Carbide's remaining chemicals plants in western Europe has arisen above all from a desire to protect its existing investment in markets that have been badly undermined by overcapacity, weak prices, and falling profitability.

As the chemical arm of a major oil company it is not surprising that BP Chemicals has concentrated its growth in recent years on bulk commodity products, the base petrochemicals that are produced in hundreds of thousands of tonnes, like ethylene and propylene. They are the chemicals that come nearest in scale and technology to the oil industry. But the approach has been badly flawed. In a cyclical industry the traditional chemical companies, such as ICI, Hoechst or Du Pont, can count on gaining some protection from economic squalls through their widely diversified and specialist product ranges. They produce thousands of products, from

IN TWO major deals announced today British Petroleum is spending £430m bolstering the less glamorous and less "downstream" from the discovery and production of crude oil. The company's loss-making German subsidiary is buying the German energy company Gelsenberg for about £210m, and its chemicals subsidiary is buying a substantial part of the European chemicals and plastics business of the U.S. company Union Carbide for about £220m.

BP has presented the deals as independent moves by two autonomous subsidiaries, but its top management concedes that the deals together will do something to redress the balance of BP's overall business. It compares with the £1.5bn that BP will spend over a period of years on the Magnus

field, a North Sea find that will account for only 3.5 per cent of BP's crude oil production.

BP's German subsidiary has been making a loss chiefly because it has excess refining capacity and no access to subsidised cheap German crude oil. BP and Veba, Germany's biggest energy company, found themselves together in this predicament and worked out the Gelsenberg deal as a result. It will bring BP 7.5m tonnes of oil sales to the consumer but only half as much refining capacity. It will boost BP's share of the German oil market from 11.5 to 16 per cent. The big attraction for Veba is a guaranteed supply of BP crude from the Middle

East—an important extra for a country as poor in indigenous energy as Germany.

Profits of BP Chemicals have suffered of late in the slump that has afflicted the whole of the European chemical industry. As with the Gelsenberg purchase, the deal with Union Carbide will secure BP a far bigger captive market for its output of basic petrochemicals, giving it its first foothold in the low density polyethylene and Continental ethylene oxide businesses. BP's top management make it clear that the benefits of this deal are less certain than the quick return BP should make on its investment in Gelsenberg.

Nicholas Colchester

#### The bid to build up

##### BP Chemicals

BY KEVIN DONE

paints and fertilisers to pharmaceuticals, synthetic fibres, plastics, dyes, and detergents and have usually built up a broad geographical spread of

But BP Chemicals is neither specialised nor broadly based.

As Mr. Len Burchell, the company's managing director, said recently: "We do not have the protection of a sufficient diversity of chemicals activities which will go on providing profits when other parts of our business are having a bad time."

BP Chemicals' chief business sectors, petrochemicals and plastics, are now suffering from chronic overcapacity across Europe. "All of this," Mr. Burchell said, "has led to a near collapse of prices and consequently of profits and cash-flow."

The start towards solving some of these problems appeared in March in the shape of an approach by Union Carbide, one of the biggest U.S. chemical companies. Union Carbide has also had its share of difficulties. Its high growth and high investment strategy of the past few years has not been a success and it has embarked on a major reorganisation of its activities. BP and Union Carbide were able to do business together quickly because their problems are closely linked. BP Chemicals has a heavy investment in base petrochemicals, particularly ethylene plants, which are at the heart of a modern petrochemicals complex.

Ethylene is the most important petrochemicals building block and is the raw material for products ranging from fibres and plastics to anti-freeze and detergents.

But BP has only a small stake in the more sophisticated downstream products. It lacks a well integrated range. Union Carbide

term contracts with its ethylene suppliers, BP in Scotland, and Gulf and Petrochim in Belgium, at a time when ethylene prices generally have been falling. Moreover, one of its major plants, the 110,000 tonnes a year polyethylene plant at Antwerp, was wrecked by an explosion in 1975.

To hold its place in the market it has had to use the costly expedient of having its ethylene processed for it by other producers. With the cost of plant re-building—the polyethylene unit is being commissioned now and should be in production in the third quarter of the year—and other extra costs, Union Carbide has been losing money on its Continental chemical operations. It decided the best option was to sell.

Union Carbide's remaining

was commissioned in 1951.

of the answer to a question

which has exercised German

politicians and industrialists

alike: how can West Germany

regain its lost industrial

strength in the European

Community? The answer is

that the deal provides part

of the benefits for Veba's

relatively clear cut. But what is BP getting for its oil commitment and its money? First, and most important, it will be receiving greatly improved access to the German market via the takeover of important sectors of the Hugo Stinnes organisation, the services, trading and transport arm of the Veba group.

In all BP should gain access through Stinnes to enterprises with about DM 3bn turnover, a greater share of the German fuel trade and to a network of about 1,000 petrol stations. This should greatly strengthen the base of BP's German operation.

Furthermore, BP will be acquiring a stronger footing in the natural gas sector. With

the occasional German

British sojourn within the EEC

Council of Ministers during

energy policy discussions

lead one to conclude that little

progress was being made. In

fact there was progress, but in

other forums.

A first step came with the

taking of a substantial stake in

the North Sea Thistle oil field

by Deminer, the German ex-

ploration concern in which

Veba has a 54 per cent stake.

This gave Veba (in which

the German Government with

44 per cent is the biggest single

shareholder) direct access to oil

sources which will greatly im-

prove its results and help safeguard Germany's future energy

needs.

Under the new agreement

with BP, Veba is assured of

further oil supplies—a mini-

mum of 3m tonnes annually up

to AD 2000 at competitive

prices. (For comparison, Ger-

many imports about 90m tonnes

of crude oil.) Under present oil

surplus conditions all this may

not seem particularly important.

Indeed, it is conceivable that

Veba may not at first take up

its whole apportionment. But

executive chairman, Herr

Rudolf von Bennigsen-Foerder,

is convinced that he must pro-

vide now for future oil scarcity.

The Government shares this

view.

How much better, it is said

in Bonn, to seek to act as far

as possible with a European

ally and friend. The agreement

with BP will not of course solve

the whole of Germany's future

oil supply problem. But it is a

step in the right direction.

This long-term assured access

to more crude oil is the first

and most important benefit

from the deal for Veba. The

second is a reduction of its

surplus refining capacity, through the sale of its subsidiary, Gelsenberg, to BP with effect from the start of next

year.

Veba has been acting since

1974-75 to reduce capacity; this is a step in the same direction.

By giving up Gelsenberg, Veba

is also losing the Gelsenberg

stakes in refineries in Bavaria and Baden-Wuerttemberg. This venture between Veba and Britain, Veba sources say, means a reduction of 3.3m tonnes of refining capacity.

It is clear that the BP deal

is far from the last co-operative

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European Community. This

means a reduction of 5.3m tonnes of refining capacity.

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# Giant collectors do battle

MR. PETER WILSON, chairman of Sotheby Parke-Bernet, will scatter throughout the world, take up his gavel at 9.30 am At, Merton, the family on Tuesday to start the most important auction in his long career and maybe in the 200 years' history of the firm. During the following week 750 works of art collected by the late Robert von Hirsch will be sold for at least £8m. The grand total could well exceed £10m.

In cash terms the sale will certainly set a record, although in real terms the dispersal of the contents of Hamilton Palace in the pre-inflationary late Victorian days will remain unrivalled. It makes the auction at Merton Towers, Lord Rosebery's Buckinghamshire home, which Sotheby's organised last summer, look almost small.

There are striking contrasts between the two auctions. Whereas the Merton Towers sale was held in a very English setting, in a large marquee in the grounds of a vast mansion, and presented the remnants of a collection built up over many generations by two rich families—the Rothschilds and the Roseberys—the von Hirsch collection will be dispersed in Bond Street and represents the buying of one man, a German who fled from Nazi Germany to settle in Switzerland. The works on sale vary tremendously, too. Merton reflected Victorian taste in its large items of 18th century furniture, its tapestries, its strongly French flavour, while von Hirsch specialised in intimate items that could be displayed in a relatively small house, with a concentration on medieval works of art. Old and early 1930s, when three Master drawings, and the more remarkable sales of medieval pictorial Impressionists. Finally, and Renaissance works of art all of the von Hirsch collection occurred—the Hohenzollern-

and Sigmaringen, the Guelph, and as well as the headquarters of the Hermitage sales, the latter organised by the Russian Government and disposing of some of the greatest treasures of Czarist Russia.

In 1933 von Hirsch applied to leave Germany, with his collection. This was permitted, but only after he had agreed to leave one work, the Judgment of Paris by Cranach, to Goering. (It was returned to him in 1945 and bequeathed to the Kunstmuseum in Basel.) It was in Basel that he spent the remainder of his life. Shortly after the war von Hirsch married the sculptress Martha Dreyfus Koch and she influenced his artistic taste, especially in the direction of 20th century art which had stopped with the purchase of Picasso. The most distinctive feature of the collection was its intimacy: it was displayed in a comfortable but far from ostentatious house, the walls covered with immediately attractive and accessible pictures rather than grand moments pieces.

Once it was given the sale of the century, Sotheby's moved quickly. London was regarded as the ideal spot, "a neutral ground for battle to take place between the continentals and the Americans," according to Mr. Marcus Linell, joint managing director of Sotheby's and the man who has organised both the Merton and the von Hirsch auctions. But there is more to it than that. London is still the centre of the international art market. New York worth £200,000 plus. But the heart of his collection, and by far the most interesting part, was acquired in the late 1920s in Switzerland. The collection has been valued at £122m.

Sotheby's is trying to put estimates on many of the rarer items—mindful perhaps of the 18th century painting it catalogued as by Van Lou at Merton, and valued at £50,000, which is now

50 years ago, and many relief of Christ in Majesty, perhaps brought to the West after the fall of Constantinople in 1453 and almost certainly acquired by Pope Julius II, will also greatly excite the art historians.

So London was the obvious choice for the medieval works of art and for the Old Masters, and a good choice for the impressionists, especially as, rather to the surprise of Sotheby's, the same buyers may be in the market for both. It was thought that museums and galleries from the U.S. and the Continent, and in particular Germany, would compete for the medieval works, while private collectors would be interested in the impressionists which are of the kind that look well on the dining room wall but do not necessarily excite historians of impressionism. But when inquiring around the museums as to which sales they would like reserved places for (this is not the kind of auction where members of the public can expect a good view of millions of pounds changing hands), Sotheby's discovered a great deal of interest in all the works of art on offer. Many extra rooms are being set aside for the sales so that less likely buyers can follow the action on monitors and bid through subsidiary auctioneers.

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50 years ago, and many relief of Christ in Majesty, perhaps brought to the West after the fall of Constantinople in 1453 and almost certainly acquired by Pope Julius II, will also greatly excite the art historians.

Apart from the beauty of the items, and their great rarity, the fact that many were produced in what is now Germany will ensure high bids from some of the best funded museums in the world. In the last few months Sotheby's has been displaying the finest pieces in Germany and Switzerland.

Among the pictures the top price, £500,000 or so, is likely to be paid for the Brancacci Madonna by the early 15th century Italian artist Giovanni di Paolo. A rare watercolour by Durer, one of only 30 water colour landscapes by the artist known and the last to remain in private hands, should do well.

The undoubtedly winner at the sales will be Sotheby's. It cannot expect its usual 10 per cent commission from the seller on an enterprise of this size, but it will have negotiated a fee for its work in handling, insuring, and exhibiting the collection, and printing 40,000 catalogues which at £20 a set are costly, but should become even more valuable. It will also get a 10 per cent premium on the knock-down price from the buyers.

But there is more

revenue involved in a sale of this kind. The prestige is enormous, and Sotheby's pre-eminent position will be confirmed. In addition, just as Merton established a new level of higher prices for 18th century furniture, the prices at the von Hirsch auction will give a tribute to the past collecting habits of the British aristocracy which made London the hub of dispersal is good. The art market follows the state of the very international art world.

## Three sales

A remarkable aspect of the von Hirsch collection is that it was amassed in so relatively short a period. Von Hirsch was born in Frankfurt in 1883 and as a young man entered his uncle's leather company which formed the basis of his personal fortune. He bought his first painting in 1907, a Toulouse Lautrec; his second was Scene de rue by Picasso. But the heart of his collection, and by far the most interesting part, was acquired in the late 1920s in Switzerland. The collection has been valued at £122m.

accounting for the Fund as part of the State's spending. It actually reflective material to

should also return the £50m, soak up solar energy.

You can run your finger over a piece of genuine lunar rock, though at the current rate of visitors, the U.S. will have to send someone else to the Moon pretty soon before the celebrated chunk of dark grey matter is eroded altogether.

Away from the space technology, the museum is stacked with historic aeroplanes, including the Wright Brothers' original 1903 Flyer and Lindbergh's Spirit of St. Louis. Looking almost ancient in this jet age is an eight-ton Douglas DC3, which is suspended 35 feet above the floor.

Anyone who has visited London's Planetarium would find surprises in the Einstein Spacearium, with its typically folksy, Walt Disney-type conducted jaunt round the universe

works of art that might be economies of the major western powers. Art that is now in the open, but also nations and Japan, where the confidence in impressionist paintings, which have been in the doldrums in recent years but recently shown national heritage involved: it is a tribute to the past collecting signs of life.

The timing of the von Hirsch sales will be Sotheby's. It cannot expect its usual 10 per cent commission from the seller on an enterprise of this size, but it will have negotiated a fee for its work in handling, insuring, and exhibiting the collection, and printing 40,000 catalogues which at £20 a set are costly, but should become even more valuable. It will also get a 10 per cent premium on the knock-down price from the buyers.

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## Economic Diary

TODAY—Prime Minister at Companies' statement on industrial strategy.

WEDNESDAY—Mr. Denis Healey, Chancellor of the Exchequer, and delegation from British Institute of Managers at working dinner, Downing Street. House of Commons Debates housing.

MONDAY—Basic rates of wages and annual weekly hours (May). Monthly index of average earnings (April). Cyclical indicators for the UK economy (May). EEC Finance Ministers' meet, Luxembourg. Three-day Ministerial meeting of EEC Agriculture and Fisheries opens, Luxembourg. Mr. Albert Booth, Secretary for Employment, addresses International Labour Conference, Geneva. Confederation of Health Service Employees opens, Scarborough.

FRIDAY—Statement by President of Cyprus, Mr. David Steel addresses Scottish Liberal Party conference. Mr. Eric Varley, Industry Secretary, at Industrial Strategy Conference, Glasgow. Engineering sales and orders (March). Briks and cement production (May). New vehicle registrations (May).

TUESDAY—Unemployment figures (June—prov.). Bank of England quarterly bulletin. New construction orders (April). Gross domestic product (1st qtr. 1977). Production (May). New vehicle registrations (May).

## Weekend Brief

### Flight plans

In a few days' time Scandinavian tour operator Tjaereborg will be having a modest party to celebrate a successful first year of operation in the UK and lift the curtains on a new and much enlarged programme. No travel agents will be invited, which is hardly surprising since this huge holiday combine's as yet small UK offshoot avoids the retail trade and sells direct to the public. Tjaereborg's anniversary coincides with the birth plans, and doubtless backstage pangs, of Stockholm-based Vingresor, which is in the final stages of preparation for its launch in the UK. Again it will be direct sell and again the UK travel business establishment is not amused.

Vingresor is no midget in the travel business. It is a wholly owned subsidiary of the airline SAS, and last year grossed \$103m, which would appear to give it plenty of muscle for the acknowledged high costs of setting up any direct selling marketing operation. Heading the UK operation is Alan Sinclair, a youthful, buoyant Briton whose working knowledge of business, Scandinavian style comes from several years of running the Tui Line business in the UK.

High on the list of priorities for Sinclair is finding someone to fly the passengers he hopes to attract when holidays start next summer. Charter flights can normally only be operated by the airlines of the nations generating or receiving the passengers. Thus the Vingresor clients must travel on British or Spanish jets for their holidays in Majorca. Parent SAS can only be called in when the trips are to Scandinavia (which some will be).

Finding airline seats these days is no easy matter, which is why UK operator Intasun, headed by the tousle-haired Harry Goodman, has just raised £15m in Japanese and American money in order to buy enough Boeings to start its own airline. Intasun, which sells mainly through agents, says there will be no room on its flights for Vingresor clients, so Sinclair will have to look to more traditional suppliers like Dan Air (with flights for Tjaereborg) or even British Airways.

When UK holidaymakers get their first Vingresor brochures they are in for a few surprises. If they follow the Scandinavian pattern the holiday details will contain such normally hidden secrets as when the hotel was built, when it was renovated and even its telephone numbers.

The price list is published separately and changes accord- ing to demand—try to book a month before departure and cast back in fashionable nostalgia. The State in 1946 but you may pay a fake price, try Dajavadi's prices are faintly subse- quently the Fund these days is the director of the Air and Space Museum. And



Vingresor's Sinclair: ready for take-off

of its best years over and there is a measure of confidence about (Mr. Ronay's man was working an ability to deal with those away from invaders—but it could make Années Folles the night I was there) might try the Arlington for lunch, Années Folles for dinner and see how the tourists live.

Food for thought

One of the more remarkable aspects of these strained times is the impressive vitality of the expensive end of the London restaurant business. Quality, apparently, still pays. Nonetheless, the coincidental opening in recent weeks of two which went into an identity crisis over the auction? The Treasury controlled Fund, which acquires heirlooms in lieu of tax, might have bought Mentmore completely for around £2m, but couldn't because that would have infringed public spending limits to the late.

Promising the "best in French cooking" elegant Iranian restaurateur Farnia Djavadi has put a quarter of a million into turning the basement of the Aeroflot offices in Piccadilly into an intimate eaterie of considerable opulence and expensive art deco-chic called Années Folles. The MPs called for the Fund. Not to be outdone our old friend set up originally by Hugh Dalton to buy a war memorial, Alan da Costa has sunk £100,000 into revamping what was once to be completely remodelled as the Caprice into the Arlington an independent contingency fund to help preserve the nation's heritage. Its name "There is an overflow of restaurants in London representing almost every nationality should be run by independent trustees."

The committee also urged that payments from the Fund should not be treated as public expenditure. There had been a double of the command ship which circled above the first Moon visitors, carrying astronaut Michael Collins, who these days is the director of the Air and Space Museum. And

The Fund may die of its own accord in the next few years. It is starting to run at a loss, and could be worth well under £10m by the early eighties.

Unless, of course, it was topped up again now, in which case the whole issue could be raked over again shortly, if the remodelled and relabelled operation then asked the State for more money.

High Flier

Locals warn you to go early, preferably being on the doorstep when the place opens. The warning is understandable, since the National Air and Space Museum in Washington, just about to celebrate its second birthday, is reckoned to be the most popular in the world. In its two years of existence, it has been visited by over 18m people.

Yet the truth is the museum handles its huge clientele superbly well: an object lesson to such institutions everywhere. America's massively expensive efforts to get men into space and on to the Moon, inaugurated by President Kennedy at the beginning of the 1960s, may have been apathetically viewed elsewhere, but it is obvious that Americans take tremendous pride in their country's extra-terrestrial exploits.

For, among the exhibits, it is the space hardware that grabs the attention. There is a double of the command ship which circled above the first Moon visitors, carrying astronaut Michael Collins, who these days is the director of the Air and Space Museum. And

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# COMPANY NEWS

## UK boosts Pilkington to over £71m—100% scrip planned

A MARKED increase in total sales and trading profits by the UK companies in the second half over the first six months at Pilkington Brothers helped total taxable earnings for the year to March 31, 1978, jump from £62.7m to £71.7m. Also a one-for-one scrip issue is planned.



Sir Alastair Pilkington, chairman of Pilkington Brothers—a better future as confidence grows.

Trading profit for the year moved ahead to £42.8m (£38.5m) with the UK contribution up from £23.5m to £28.9m. The outcome overseas was marginally better at £13.7m (£13m).

External sales were ahead from £190.1m to £240.5m with the UK companies accounting for £136.8m (£24.8m) and overseas companies for £82.9m (£18.2m), less sales to UK members of £50.3m (£4.4m).

The directors say that the future should be rather better as confidence grows.

After tax of £10.3m (£9.5m) earnings per £1 share are stated at 54.5p (51.3p) and the net total dividend is stepped up to maximum permitted (£11.525p (£10.482p)) with the second interim of 5.75p.

If the second interim of 5.75p is paid a further small distribution will be made with the payment on August 17 or as a supplement in February 1979.

The total group trading profit of £42.8m (£38.5m) is after charging £9.4m (£3.1m) for the depreciation/replacement of fixed assets at current values. If the depreciation charge had been reduced to historic cost, the charge would have been reduced by some £5m, the directors say.

In 1976-77 the weakness of the pound boosted the sterling proceeds from licensing. This time the rise in the exchange rate has had the opposite effect but the total income continued to increase to £2.8m (£3.0m).

Capital expenditure amounted to £49m (£58m) including investment in new subsidiary and associate.

See Lex

WITH HIGHER fourth quarter earnings of £88.135 against £88.135, Ferguson Industrial Holdings ended the year to February 28, 1978, at a record £216.135 pre-tax, compared with £201.168 last time. Sales grew from £31.47m to £41.1m, after £10.47m, against £7.72m, in the last quarter.

Mr. Denis Vernon, the chairman, reports that the group has again made a promising start to the current year, with sales of £18.1m in the first two months.

A divisional analysis of full year sales and trading profits of £21.9m shows: building supplies (excluding Ireland) up 10 per cent and all other, building supplies (Ireland) up 10 per cent, engineering up 13 per cent and 25 per cent, engineering 7 per cent and 18 per cent, and printing (second half only) 5 per cent and 9 per cent respectively.

The post-acquisition portion of Hindson Print Group's profits amounting to £15.436, has been recorded as a trading profit whereas prior to acquisition the relevant profits were treated as income from associates.

The pre-tax result was struck after lower interest of £422.62 (£342.364), employees' profit

share of £104.654 (£82.993), and share of £234.956 (£22.718) from per share.

related companies. The major part of the spending was in the UK where construction has included production facilities for the triplex '1020' process and a wet-tissue plant for Reginald Fibreglass.

The total net assets employed at March 31 were £540m before deducting bank overdrafts, and loan capital was £102m.

Results from the flat glass and glass fibre operations were good and safety glass products finished on a strong note after some earlier disappointments, and there was a good performance from a new member of the group, Barr and Stroud.

Elsewhere in the optical division results were affected by a lower level of activity in the ophthalmic industry.

However, overseas trading results from the flat glass manufacturing companies was generally disappointing—except from the subsidiary in Argentina and associate in Mexico.

The new float glass plant in South Africa came into production at time of reduced demand and although Pilkington Floatglas AB has now firmly established its position in Scandinavia the growth of sales has been hampered by poor economic conditions in that area.

Most safety glass companies have maintained their profitability and the group's glass company in India has had another excellent year as did the safety glass fibre associate in Canada.

Agricultural machinery sales in the first quarter were almost equal to the same period last year so most of the upturn is coming from the engineering division, which includes cycles.

However, the directors do state that there has been a weakening in margins.

In recent weeks there has been some strengthening of demand for agricultural equipment and they hope this will follow through for the rest of the year.

Prospects for the engineering companies in the current year look good. It is hoped that Elswick Livestock Systems will make a contribution to profits this year and that Elswick-Becker.

recently formed, to distribute Becker equipment, will achieve a profit.

Brokers to the issue are Gilbert Elliott in London and Fysh Horton Finney in Birmingham.

See Lex

## Ferguson rises to peak £1.6m

WITH HIGHER fourth quarter earnings of £104.654 (£82.993), and share of £234.956 (£22.718) from per share.

● comment

Around £1.5m pre-tax was expected for the full year from Ferguson Industrial Holdings in its third quarter start in January. But the group topped this figure in spite of a poor performance from building supplies in the last quarter due to bad weather in January and February.

What is significant for the group is its gradual shift away from a heavy dependence on building supplies which now account for 40 per cent of profits, compared with 50 per cent, although the share is only fractionally reduced.

However, the directors are of the opinion that the amounts provided in respect of stock appreciation relief and potential tax arising from surpluses on revaluation of properties will not be payable in the foreseeable future and therefore have revised their policy of accounting for deferred tax.

As a result, £88.135 of the year, stand on an undemanding basis at February 28, 1977, has been transferred to reserves and 1978-79 comparative figures yield 8.6 per cent, with two and a half times cover.

However, the directors could be succeeded on in the current year as Ferguson looks out for suitable acquisitions to broaden its trading base. Meanwhile the post acquisition profit of Hindson Print (£15.436 contributed in the second half helped offset the building supplies setback. At 109p the shares, at their high for the year, stand on a reasonable basis at 7.7 per cent.

Brokers to the issue are Grierston Grant.

● comment

The issuing house appears to have pitched the terms of Southend-on-Sea's £7m offer as tight as it could. For the authority that is obviously a good point but any weakness in the gilt market could leave the

## UDS set for takeover trail

MATURALISATION OR elimination of low-return non-growth areas of UDS Group has created a firm base from which the directors continue to examine suitable opportunities for acquisition as an additional means of expansion, says Mr. B. Lyons, the chairman.

Taking into account the upward trend in earnings generally and direct tax cuts, personal disposable incomes are expected to show positive growth this year and the group's businesses in good shape and ready to obtain the full benefit from any upturn in consumer demand.

Trade profit for the year to January 28, 1978, improved to £14.6m (£14.18m) on sales of £31.31m (£29.5m) and the net total profit by divisions shows that the profit is stepped up to 5.1p (4.8p) per 25p share.

Liquidity at year-end was down £4.34m (up £16.000) with bank overdrafts at £12.5m (£17.34m) and short-term loans up from £0.98m to £1.59m. Future capital spending amounted to £10.28m (£12.8m) of which 2.46m (£11.90m) has been authorised but of £1.39m (£1.72m) the associated companies profit £1.190 (£1.743) less interest of £0.268 (£1.184).

Contributions of £83.727 were

made to UK charities. No payments were made to political parties.

An analysis of sales and taxable profit by divisions shows that the profit is stepped up to 5.1p (4.8p) per 25p share.

SECOND-HALF profitability declined from £9.16m to £2.64m at Jones Woodhead and Sons, the vehicle suspension specialist, leaving the pre-tax figure for the year to March 31, 1978 at £4.95m, compared with £4.58m. Turnover was up £1.14m at £56.8m.

In December, when reporting their first half profits of £2.32m (£1.4075p) net, Retained profits emerged as £1.17m (£1.89m).

The directors point out that the

## ISSUE NEWS AND COMMENT

### Elswick cash call to cut gearing ratio

Elswick-Hoppers, the Humber-based light engineering company and distributor of agricultural equipment, is proposing to raise £7.52m from shareholders by a rights issue.

The issue is underwritten.

The directors are forecasting that the net dividend for the current year will not be less than 9.99p per share.

The issue is underwritten.

● comment

Elswick-Hoppers' rights issue is aimed at reducing its gearing ratio after the sharp increase last year. Borrowings over the year rose from around £30.000, to £51.5m and since the year end a further cash payment of £180,000 has been made in connection with the Falcon acquisition. Shareholders' funds, including goodwill of £1.2m, stand at £3.1m so the debt to equity ratio climbed from 47 per cent to 78 per cent. Meanwhile, profits appear to be on a dramatic upward trend but more than half of the £1.4m increase in pre-tax profits can be attributed to two acquisitions. This year the agricultural division got off to a slow start but engineering is pushing ahead both on cycles and the light engineering supplies side. Overall, turnover profit margin is declared making a total of 0.5p.

Directors state that proceeds of the issue will be used to provide working capital required for the continuing expansion of the business and funds for future acquisitions. No specific plans are in hand for a bid but the directors' policy is to expand by take-overs.

Elswick-Hoppers' cash flow for the year to March 31, 1978, is £1.65m (£1.647.761) on sales of £12.36m (£10.41m). Earnings per share are 3.50p compared with 3.24p and a final dividend of 0.5p is declared making a total of 0.5p.

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Brokers to the issue are Gilbert Elliott in London and Fysh Horton Finney in Birmingham.

See Lex

## Southend £7m stock

The Southend-on-Sea Borough Council is issuing £7m of 12 per cent Redeemable Stock 1987 at 98.4 per cent. It is redeemable on May 26, 1987 at par.

It is payable as £10 on application £35 on July 25 and the balance on October 12. Application will open next Wednesday.

Net interest is payable half-yearly on May 26 and November 26. The first payment will amount to £2.783 per cent.

Brokers to the issue are Grierston Grant.

● comment

The issuing house appears to have pitched the terms of Southend-on-Sea's £7m offer as tight as it could. For the authority that is obviously a good point but any weakness in the gilt market could leave the

issue under-subscribed. At the issue price the running yield is 12.21 per cent and the redemption yield is 12.84 per cent. These returns are almost identical to what can be found in the market from existing stocks. So there is little incentive to apply unless market prices rise. The outcome of the offer must hang in the balance until Wednesday morning.

And they report that the first months of 1978 allow them to expect a continuing improvement in profits.

Stated earnings per 25p share are up from 1.26p to 2.23p and the net dividend total is lifted from £120.25p to £125.125p with a final payment of £0.0125p.

Over the last four years the company has carried through a sustained investment and development programme to build asset strength. Projects such as the Westcliff Leisure Centre, the Three River Country Club, the Brent Walker has just met its

● comment

The bank of England announces that it will issue £900m of the 10 per cent Exchequer Stock 1983 opened and closed yesterday. The full amount of the stock offered has been allotted, all applications received from the public being allotted in full.

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● comment

# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

The Board of Albright and Wilson has agreed to accept an increased offer of 165p a share from the U.S.-based Tenneco which failed last month to acquire the 50.2 per cent of Albright not already owned because the latter's Board felt that the 165p a share offered fell substantially short of a level that could be recommended to shareholders. The revised terms are considered fair and reasonable by both parties who are expected to join forces in appealing to the Government not to block the proposed merger.

The Post Office Pension Fund is to take over one of the UK's leading investment trust groups in a major three-way deal which will provide Barclays Bank with an injection of some £55m of new capital. Under the terms of the deal, Barclays is offering its own shares, worth around £91m at current market value, to buy the Investment Trust Corporation. The bank has already agreed that, if the bid goes through, it will then sell the investment company to the Post Office staff superannuation fund for £55m cash.

Cement-Roadstone has made a £5.55m agreed take-over bid for J. and W. Henderson. The offer comprises 210p cash for each Henderson share and it seems assured of success as the major shareholder London and Northern Group, which holds 34.8 per cent Henderson equity, has pledged its support along with the Henderson directors.

The long courtship of Mr. Peter Prowling's private property development group County and Suburban and the publicly quoted Estates and General Investments may have a happy ending. E. and G. has brought out a new merger plan which appears to satisfy the criticisms that killed the last scheme in 1975. The new merger terms are structured in the form of a reverse take-over by E. and G. of County and Suburban. It will be effected by E. and G. issuing 7.85m new 20p shares and a new 10 per cent loan stock.

Bridgewater Investment Trust has been granted re-listing of its shares on the London stock exchange following the announcement that Saseg SA, a Swiss financial holding group, is making a £89.7m bid for the trust. The Geneva-based group has paid Clifton Investments £21.8m for its 55 per cent stake in the trust and is now offering 6.6p a share to all other shareholders in order to comply with the City Take-over Panel rules.

A bid may well be on the cards for Knott MUI following the

announcement that the company is involved in talks with an unnamed party.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£'000)	Earnings* per share (p)	Dividends* per share (p)
AB Foods	Apr. 1	77,829 (30,362)	9.7 (9.9)	2,225 (2,075)
Allied Retailers	Apr. 1	4,674 (3,608)	25.5 (20.9)	8,712 (7.8)
Alpine Drunks	Apr. 1	1,520 (1,322)	14.7 (12.3)	6.6 (3.384)
Anglo-Indonesian	Dec. 31	1,212 (6,931)	12.9 (12.4)	2.75 (2.5)
Arlet Inds.	Mar. 31	783 (782)	† (7)	2,134 (1,914)
Avenue Close	Mar. 31	339 (307)	2.8 (2.6)	1,625 (1,577)
Behaven Brewery	Apr. 2	9L (693) N.I.	N.I.	9,358 (8,353)
B. & C. Shipping	Dec. 31	29,312 (27,273)	34.5 (28.9)	9,358 (8,353)
British Tar	Mar. 31	1,238 (1,008)	5.6 (4.6)	1,804 (1,613)
Browlee	Mar. 25	763 (1,350)	5.2 (9.8)	2,227 (2,056)
Caledonia Inv.	Mar. 31	3,100 (3,070)	10.8 (9.1)	8,421 (7,611)
Chloride Group	Mar. 31	25,068 (26,410)	11.6 (12.4)	5,128 (4,652)
Cratry & New Twn.	Jan. 31	458 (59) N.I.	0.65 (0.65)	— (0.65)
C. Cohen	Dec. 31	1,868 (2,128)	39.5 (45.3)	3,432 (4,911)
Cont. Stationery	Mar. 31	198 (176)	3.6 (3.0)	2,522 (2,222)
Dom Holdings	Mar. 31	1,023 (855)	6.9 (5.6)	4,644 (4,421)
Fortnum & Mason	Jan. 25	1,045 (588)	122.1 (84.8)	20.5 (20.5)
GEI Int'l.	Mar. 31	5,552 (4,153)	10.8 (7.8)	4,132 (3,715)
Goldcrest (Foucard)	Mar. 25	— 583	(380)	6.0 (2.6)
Go Portland Esq.	Mar. 31	4,104 (3,656)	8.2 (5.3)	4,557 (3,946)
Hargreaves Group	Mar. 31	3,492 (3,272)	8.4 (7.3)	3,217 (2,881)
Hillgate & Job	Mar. 31	1,108 (1,264)	7.1 (5.5)	2.5 (4.0)
Hillside AB	Mar. 31	6,586 (6,710)	11.6 (11.3)	4,266 (4,104)
Hitchell Cotts	Mar. 31	— 507	(6,525)	13.0 (12.5)
Group	Mar. 31	15,863 (21,015)	51.9 (61.3)	13,615 (12,503)
Hornbeam Foods	23/7	— 75.64	(72.4)	— (—)
Hotels, Restaurants & Cafes	Feb. 28	2,203 (2,724)	14.9 (12.0)	6.0 (5.0)
Hotels, Restaurants & Cafes	Mar. 31	2,990 (4,340)	11.8 (8.8)	5,221 (5,221)
Hugh Williams	Mar. 31	2,718 (2,000)	11.6 (12.0)	2,575 (2,321)
J. T. Parrish	Mar. 25	27 (51)	(5.0)	3,835 (3,835)
R. Paterson	Mar. 25	1,021 (458)	6.5 (5.3)	2,547 (2,281)
Pauls & Whites	Mar. 31	6,230 (5,210)	17.2 (18.9)	3,451 (3,451)
Pexford-Battersley	Apr. 1	12,581 (13,155)	26.1 (41.3)	6,881 (6,881)
Physu	Mar. 31	7.8 (7.8)	18.11 (18.11)	1,284 (1,284)
Plastics & Resineries	Mar. 31	— 1,020	(1,020)	— (—)
Robertsons	Mar. 31	2,774 (2,581)	22.8 (24.3)	5,723 (5,186)
Sketchley	Mar. 31	3,662 (2,934)	12.1 (12.1)	4,243 (4,243)
Staveley Inds.	Apr. 1	15,017c (6,759)	84.3 (47.7)	13,504 (7,81)
Triplex Foundries	Mar. 31	2,639 (2,037)	15.0 (13.0)	4,852 (4,189)
Valor	Mar. 31	1,630 (1,070)	9.6 (5.8)	2,135 (1,884)
Warren Plastics	Mar. 31	10,282 (10,282)	11.2 (11.2)	— (—)
Ward Eng.	Mar. 31	119 (14,441)	14.1 (14.1)	8,228 (2,202)
WGI	Mar. 31	1,197 (1,053)	16.0 (14.0)	5.8 (5.2)
W. Bromwich Spg.	Dec. 31	583 (1,321)	7.1 (5.0)	1,020 (1,020)
Wheway Watson	Apr. 1	766 (625)	2.0 (3.0)	0.978 (0.794)

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital reduction. || Date on which scheme is expected to become operative. \*\* Based on 13/6/78. §§ Based on 13/6/78. §§ At suspension. §§ Estimated. §§ Shares and cash. §§ Based on 16/6/78.

## Rights Issues

British Tar Products: One-for-11 at 45p each.

Hartwells Group: One-for-three at 82p each.

Sketchley: One-for-five at 82p each.

## UNIT TRUSTS

## High income funds back in fashion

THIS WEEK, Gartmore Fund Managers turned away from the market for growth equities and returned to that old standby, the high income funds. Over the past few years these funds have provided the bread and butter business for the unit trust movement while other funds have occupied the limelight for a few months and then returned to obscurity. The managers launched the Gartmore Extra Income Units to put alongside the High Income Trust.

The investment is high income with maximum growth potential, so the portfolio will be almost entirely high yielding UK equities. The fund yields 9.1 per cent gross—a full 4% of a percentage point higher than the High Income Fund, despite the latter's preference share content.

The growth of the High Income Fund now at £15m, is inhibiting the managers' ability to deal in small lines of stock thereby keeping up the yield. Thus in launching this new fund, the managers are deliberately restricting the number of units issued so

that they have a small fund which can maintain flexibility. For investors seeking quality, the Gartmore Extra Income Fund has designed a Quarterly Income Plan with investment being made in both the Extra Income and High Income Funds.

Schlesinger Trust Managers, the Tyndall Group and Lawson Securities have also abandoned, at least temporarily, the overseas markets for the UK and are offering their highly successful high income funds. The Schlesinger Extra Income Trust also aims at capital growth by investing solely in equities and has a yield of 5.5 per cent gross. Tyndall is offering the London Wall Extra Income Growth Units, holding almost 10 per cent; the portfolio having only a small portion of fixed interest stocks. The Lawson High Yield Fund, in contrast has 40 per cent of its portfolio in preference shares and offers a yield of 11 per cent, but diluted income growth prospects.

Save and Prosper is still sticking to its US shares, but this week still holds to the firm belief that the scope for capital growth in this market is substantial in the medium term. Crescent Unit Trust Managers are launching a Quarterly Income Plan with investment being made in both the Extra Income and High Income Funds. This aims at capital growth by investing in Japanese blue chips—with a yield of 0.5 per cent it could not be aiming for anything else. The fund is managed by Edinburgh Fund Managers who have £20m of funds invested in Japan including the highly successful Crescent Japan Investment Trust. This also aims at capital growth by investing solely in equities and has a yield of 5.5 per cent gross. Tyndall is offering the London Wall Extra Income Growth Units, holding almost 10 per cent; the portfolio having only a small portion of fixed interest stocks. The Lawson High Yield Fund, in contrast has 40 per cent of its portfolio in preference shares and offers a yield of 11 per cent, but diluted income growth prospects.

Finally, for those investors who prefer the security and guarantees offered by building societies and with-profit life assurance, the Britannia Building Society is drawing attention to its recent launch of the Britannia "Double Investment" Plan which offers a choice of guaranteed and unit-linked. It is also giving details of its Index Linker Bonds which enable investors to put aside a lump sum for investment into the SAVEX index linked contract.

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## WORLD STOCK MARKETS

## Wall St. falls another 7.28

## INVESTMENT DOLLAR PREMIUM

\$2.60 to £-115% to (115%)  
Effective \$1.610 30% (50%)

FURTHER SHARP losses were recorded on Wall Street yesterday, following disappointing news on interest rates.

The Dow Jones Industrial Average lost another 7.28 to 869.97, making a fall of 23.26 on the week. The NYSE All Common Index at \$34.50, fell 31 cents on the day and \$1.25 on the week, while declined led gains by a three-to-one majority. Trading volume decreased 1.56m shares to 27.63m.

Most major banks raised the Prime Rate to 8% per cent from 8% per cent. This came a day after the Fed reported U.S. Money Supply was unchanged in the latest week.

Investors had hoped for a drop

in the Money Supply to offset the \$1.55 to \$1.60 a share, up from sharp \$4.2m rise a week earlier.

The Fed was active in the Government Securities Market with moves that analysts said held the Fed Funds rate at 7% per cent.

The American Stock Market Value Index slipped 0.58 to 150.18, marking a loss of 0.81 on the week.

Uraniums also fell, Coppers steady.

MILAN—Lower over a broad front in very thin dealings, following the resignation of President Giovanni Leone.

Bonds quietly steady.

GERMANY—Prices firmed in generally quiet trading.

Yens gained DM 5.70 on higher of Golds, which moved up 3.6 to 1424.40 on index, all other sectors

Public Authority Bonds lost up to 40 pfennigs and Regulating Authorities bought nominal DM 15.5m of stock. Mark Foreign

Metals and Minerals Index dipped 3.8 to 952.3, Oil and Gas 1.3 to 1465.9, Utilities 0.27 to 173.69, Banks 0.82 to 277.69 and Papers 0.12 to 151.64.

TOKYO—Domestic-oriented issues moderately sought in another lacklustre market. Turnover 280m (207.20) shares.

BRUSSELS—Mostly lower in moderate trading after Prime Minister Leo Tindemans tendered his resignation.

U.S. stocks mixed, Germans, Dutch, U.S. and French issues lower. Gold Mines steady to firm.

HONG KONG—Slightly lower in very active trading, with much local and some European profit-taking.

AUSTRALIA—Easier in quiet trading.

Cedars dipped 1.72 to 840.1. Renison fell A\$1.20 to 9.60.

Cedars second quarter net of

industrials again firmer.

SWITZERLAND—Narrowly mixed in light volume.

Banks steady. Financials narrowly mixed. Insurances slightly higher, leading Industrials steady.

Domestic Bonds edged higher, but Monteferro dropped 4 per cent the first day of trading.

Foreign Bonds mixed.

Coppers steady, as were Platinum.

Industrials again firmer.

DUTCH—U.S. and French issues lower. Gold Mines steady to firm.

HONG KONG—Slightly lower in very active trading, with much local and some European profit-taking.

AUSTRALIA—Easier in quiet trading.

Cedars dipped 1.72 to 840.1.

Renison fell A\$1.20 to 9.60.

## Rises and Falls

June 15 June 15 June 15 June 14

Issues traded 1,871 1,878 1,912

High 1,098 1,144 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 16 June 16 June 16 June 15

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 17 June 17 June 17 June 16

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 18 June 18 June 18 June 17

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 19 June 19 June 19 June 18

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 20 June 20 June 20 June 19

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 21 June 21 June 21 June 20

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 22 June 22 June 22 June 21

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 23 June 23 June 23 June 22

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 24 June 24 June 24 June 23

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 25 June 25 June 25 June 24

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 26 June 26 June 26 June 25

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 27 June 27 June 27 June 26

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 28 June 28 June 28 June 27

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 29 June 29 June 29 June 28

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 30 June 30 June 30 June 29

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 31 June 31 June 31 June 30

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 32 June 32 June 32 June 31

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 33 June 33 June 33 June 32

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 34 June 34 June 34 June 33

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 35 June 35 June 35 June 34

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 36 June 36 June 36 June 35

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 37 June 37 June 37 June 36

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 38 June 38 June 38 June 37

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 39 June 39 June 39 June 38

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 40 June 40 June 40 June 39

High 1,091 1,173 685

Low 445 379 433

New Highs 52 58 52

New Lows 38 32 35

June 41 June 41 June 41 June 40

High











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# FT SHARE INFORMATION SERVICE

Financial Times Saturday June 17 1978

FOOD, GROCERIES - Cont.

## BONDS &amp; RAILS - Cont.

## BANKS &amp; HP - Continued

## CHEMICALS, PLASTICS - Cont.

## ENGINEERING - Continued

High	Low	Stock	Price	+ or -	Div. %	Red.	Gross	Yield
58	53	Ireland (I) 31-58	231	-1	7.1	11.75		
70	69	Do 59-61	231	-1	7.1	12.85		
265	255	Japan (I) 10-45	265	-1	6.1	10.19		
145	125	Japan (I) 10-45	145	-1	3.1	10.19		
75	65	Japan (I) 10-45	75	-1	3.1	10.19		
591	591	S. I. G. 1980	591	-1	6.1	8.67		
191	171	DML (I) 1981	191	-1	6.1	9.52		
95	95	DML (I) 1981	95	-1	6.1	9.52		
24	24	Wells Fargo S.	224	-1	5.1	10.30		
157	157	Wells Fargo S.	157	-1	5.1	10.30		
24	24	Wells Fargo S.	224	-1	5.1	10.30		
67	67	Wells Fargo S.	67	-1	5.1	10.30		

## \*\*BRITISH FUNDS

U.S. \$ &amp; DM prices exclude inv. &amp; premium

## AMERICAS

High Low Stock Price + or - Div. % Red. Gross Yield

Shorts (Lives up to Five Years)

100% 95% Exch. 5% 70-72

100% 100% Treasury 11% 72

95% 95% Electric 5% 72

100% 100% Treasury 11% 72

95% 95% Electric 5% 72

100% 100% Treasury 11% 72

95% 95% Electric 5% 72

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FINANCIAL TIMES Saturday June 17, 1978

## INDUSTRIALS—Continued

## INSURANCE

Stock	Price	No.	Div	Yrs	PE	High	Low	Stock	Price	No.	Div	Yrs	PE	High	Low	Stock	Price	No.	Div	Yrs	PE	High	Low		
100	100	100		19.0	56	104.4	94.0	100	100	100		19.0	56	104.4	94.0	100	100	100		19.0	56	104.4	94.0	100	100
101	300	21	83	5.8	48	120	100	102	102	102		4.8	48	120	100	102	102	102		4.8	48	120	100	102	102
102	145	17	51	6.2	56	117	102	103	103	103		5.2	56	117	102	103	103	103		5.2	56	117	102	103	103
103	159	21	110	5.2	56	114	102	104	104	104		5.2	56	114	102	104	104	104		5.2	56	114	102	104	104
104	103	13	74	5.8	56	112	102	105	105	105		5.8	56	112	102	105	105	105		5.8	56	112	102	105	105
105	125	17	51	6.2	56	114	102	106	106	106		5.2	56	114	102	106	106	106		5.2	56	114	102	106	106
106	72	10	110	5.2	56	112	102	107	107	107		5.2	56	112	102	107	107	107		5.2	56	112	102	107	107
107	101	13	74	5.8	56	112	102	108	108	108		5.8	56	112	102	108	108	108		5.8	56	112	102	108	108
108	125	17	51	6.2	56	114	102	110	110	110		5.2	56	114	102	110	110	110		5.2	56	114	102	110	110
109	101	13	74	5.8	56	112	102	109	109	109		5.8	56	112	102	109	109	109		5.8	56	112	102	109	109
110	125	17	51	6.2	56	114	102	111	111	111		5.2	56	114	102	111	111	111		5.2	56	114	102	111	111
111	101	13	74	5.8	56	112	102	108	108	108		5.8	56	112	102	108	108	108		5.8	56	112	102	108	108
112	125	17	51	6.2	56	114	102	110	110	110		5.2	56	114	102	110	110	110		5.2	56	114	102	110	110
113	101	13	74	5.8	56	112	102	109	109	109		5.8	56	112	102	109	109	109		5.8	56	112	102	109	109
114	125	17	51	6.2	56	114	102	111	111	111		5.2	56	114	102	111	111	111		5.2	56	114	102	111	111
115	101	13	74	5.8	56	112	102	108	108	108		5.8	56	112	102	108	108	108		5.8	56	112	102	108	108
116	125	17	51	6.2	56	114	102	110	110	110		5.2	56	114	102	110	110	110		5.2	56	114	102	110	110
117	101	13	74	5.8	56	112	102	109	109	109		5.8	56	112	102	109	109	109		5.8	56	112	102	109	109
118	125	17	51	6.2	56	114	102	111	111	111		5.2	56	114	102	111	111	111		5.2	56	114	102	111	111
119	101	13	74	5.8	56	112	102	108	108	108		5.8	56	112	102	108	108	108		5.8	56	112	102	108	108
120	125	17	51	6.2	56	114	102	110	110	110		5.2	56	114	102	110	110	110		5.2	56	114	102	110	110
121	101	13	74	5.8	56	112	102	109	109	109		5.8	56	112	102	109	109	109		5.8	56	112	102	109	109
122	125	17	51	6.2	56	114	102	111	111	111		5.2	56	114	102	111	111	111		5.2	56	114	102	111	111
123	101	13	74	5.8	56	112	102	108	108	108		5.8	56	112	102	108	108	108		5.8	56	112	102	108	108
124	125	17	51	6.2	56	114	102	110	110	110		5.2	56	114	102	110	110	110		5.2	56	114	102	110	110
125	101	13	74	5.8	56	112	102	109	109	109		5.8	56	112	102	109	109	109		5.8	56	112	102	109	109
126	125	17	51	6.2	56	114	102	111	111	111		5.2	56	114	102	111	111	111		5.2	56	114	102	111	111
127	101	13	74	5.8	56	112	102	108	108	108		5.8	56	112	102	108	108	108		5.8	56	112	102	108	108
128	125	17	51	6.2	56	114	102	110	110	110		5.2	56	114	102	110	110	110		5.2	56	114	102	110	110
129	101	13	74	5.8	56	112	102	109	109	109		5.8	56	112	102	109	109	109		5.8	56	112	102	109	109
130	125	17	51	6.2	56	114	102	111	111	111		5.2	56	114	102	111	111	111		5.2	56	114	102	111	111
131	101	13	74	5.8	56	112	102	108	108	108		5.8	56	112	102	108	108	108		5.8	56	112	102	108	108
132	125	17	51	6.2	56	114	102	110	110	110		5.2	56	114	102	110	110	110		5.2	56	114	102	110	110
133	101	13	74	5.8	56	112	102	109	109	109		5.8	56	112	102	109	109	109		5.8	56	112	102	109	109
134	125	17	51	6.2	56	114	102	111	111	111		5.2	56	114	102	111	111	111		5.2	56	114	102	111	111
135	101	13	74	5.8	56	112	102	108	108	108		5.8	56	112	102										

Cruising means



# FINANCIAL TIMES

Saturday June 17 1978

## MAN OF THE WEEK

### Cut price war in the air

BY LYNTON McLAIN

RADICAL innovation is not normally expected in Britain's State-owned industries, least of all from a chief executive who has spent half a century in the same business and has only a year to go before retirement.

Yet last Wednesday Mr. Ross Stainton, chief executive and deputy chairman of British Airways, with nearly 45 years in the airline business, blew the corporate whistle for a new, across-the-board era of low price aviation.

In so doing, the likeable Mr. Stainton has pre-empted all other major airlines in setting the parameters few will be able to escape from when the low price era really gets airborne early next year.

That the others will take off and follow Mr. Stainton's carefully planned course for future survival is beyond doubt. There may be variations on the Stainton theme of three distinct classes of airline passenger: first class or economy and discount, but the changes in the mix of passengers since the start of trans-Atlantic jet travel leave no room for airlines that do not react rapidly.

In the 1950s, 30-40 per cent of all Atlantic air travel was done by businessmen. This fell by half in the early 1960s, when the

## Barclays trust deal bid prompts probe

BY JOHN BRENNAN

INSTITUTIONAL opposition to Barclays' Bank's planned £92.6m takeover of the Investment Trust Corporation resulted yesterday in the launching of a special investigation by the Investment Protection Committee of the National Association of Pension Funds.

Barclays Merchant Bank, advising its parent on the investment trust deal, is "puzzled" by the call for a investigation.

The move raises a question over the bank's claim that its institutional shareholders are content with its proposals.

Announced earlier this week, for a share acquisition of the trust, and an immediate resale for £85m cash to the Post Office Pension Fund.

Mr. George Dennis of the Post

Office fund, who declined to discuss the matter yesterday, is the current chairman of the Pension Funds' Investment Protection Committee.

Mr. Graham Tifford of the British Petroleum fund has been appointed to chair the investigation.

The National Coal Board's pension fund is among the Barclays' shareholders unhappy about the investment trust deal.

Benefit The fund is concerned that it is ITC rather than Barclays' shareholders who benefit from the three-way deal.

It feels that the £85m cash injection might have been achieved more equitably by a direct call on the bank's shareholders.

this kind.

## Cabinet decision allows foreign banks into Spain

BY ROBERT GRAHAM

THE SPANISH Cabinet to-day approved a long-awaited decree authorising the establishment of foreign banks in the country.

The terms are deliberately restrictive and, of more than 60 foreign banks that have expressed interest in establishing themselves in Spain, no more than 15 are expected to accept the conditions initially.

Two of these are likely to be British—Barclays and National Westminster Lloyds is already represented through its Bank of London and South America subsidiary, Bolsa.

The authorities have been studying the decree for several months, while proposals for admitting foreign banks have been in the air for more than two years.

The go-ahead marks an important stage in the liberalisation of the banking system, which, since last July, has slowly been seek-

ing to align itself more with the rest of Europe.

Conservative elements within the banking system, who still hold significant weight, fought a strong rear-guard action to limit the impact of the presence of foreign banks.

This has helped to delay the decree and has been a prime factor behind the restrictive nature of the operational conditions.

The decree stipulates that foreign banks may opt for a representative office (already permitted), the establishment of a Spanish-registered subsidiary, or branch operations.

For subsidiaries, foreign banks will have to pay Pta 1.5bn (£10m) to cover capital and reserve requirements.

Branches will have to pay Pta 750m (£5m)—charges considerably high by European standards.

However, the cost of establish-

ing a subsidiary has been geared to be equivalent to the minimum requirement for the formation of a new Spanish bank.

Foreign banks opting for either subsidiaries or branch operations (limited to a total of three) will be allowed to buy pesetas freely on the inter-bank market.

But their peseta activity will be restricted to 40 per cent of the combined value of local loans, securities and the share of deposits they are obliged to place with the Bank of Spain.

However, the limitation is probably notional because of the difficulty foreign banks will have in attracting substantial deposits.

Foreign banks will be entitled to remit profits in accordance with the laws regarding foreign investment.

But they will be obliged to observe the 6 per cent limitation that applies to Spanish banks' dividends.

## Hospitals strike off after pay offer

By Pauline Clark

A STRIKE PLANNED by electricians in up to 100 hospitals throughout the country from Monday was postponed last night after a new pay offer from the Government was accepted as a basis for negotiation.

The executive council of the Electrical and Plumbing Trades Union, representing about 5,500 electricians in the Health Service will decide on Monday whether to call off as well a proposed programme of other industrial action, including overtime bans, in hospitals.

After a day of urgent talks ending with a two-hour meeting last night between Mr. Albert Booth, Secretary for Employment; Mr. David Ennals, Secretary for Social Services; and Mr. Peter Adams, the union's national officer for the Health Service, the electricians were offered a productivity plan designed to restore parity with electricians in the private contracting industry.

Mr. Ennals said last night that a revised offer had been put to the union which he believed would improve the pay of Health Service electricians by bringing all or most of them into the Health Service productivity scheme, which is within the pay guidelines.

At present it is believed that only about a third of the electricians benefit from such schemes. The revised offer would be expected to speed the programme.

Mr. Ennals added that if a settlement could not be reached on the basis of yesterday's proposal the Government would consider with the union whether a third party might usefully be brought in as either a mediator or a conciliator.

Both sides were hopeful that a satisfactory settlement would be reached eventually without further resort to a call for a strike.

## Autumn target set for British Steel's worker-directors

BY CHRISTIAN TYLER, LABOUR EDITOR

SIX rank-and-file trade unionists

third of the places since the board—with ten members at present—can, without a change in the 1967 Act, go up to 21 seats. They have agreed that the seventh place would also go to the Confederation.

The representatives will be lay union members, but it has not been decided whether men with negotiating duties will be disqualified. The non-TUC management union, SIMA, has not been included.

BSIC already has 17 worker-directors on divisional management boards, nominated by the TUC steel committee, but the Varley plan goes much further.

It also differs from the work-  
er-director experiment in the Post Office, which started this year, in that the Post Office Union leaders are seeking a full seat, to ensure a full

from the shop floor.

## International bank loan minimum margin down

BY FRANCIS GHILES

THE MINIMUM margin on sovereign guarantee is jointly medium-term international bank loans has moved down again after several months of stability.

The French Caisse Nationale de Télécommunications is raising \$300m at a margin of 1 per cent over inter-bank rates compared with the 1 per cent at which the banks had succeeded in holding the minimum spread, though they had given ground to borrowers in other ways.

The loan has a maturity of 10 years with seven years' grace before repayments start. The spread of 1 per cent is payable for the first five years rising to 1 per cent for the remainder.

The loan, which carries a chance of being used.

Its impact on capital spending, which is still sluggish.

Others suggest that the Federal Reserve is becoming less able to influence short-term money markets with any precision because surging demands for credit from both business and consumers are putting strong upward pressure on rates.

Consumer credit has risen at a record pace this year, arousing fears that this is a reflection of a deepening inflationary psychology, with consumers buying in anticipation of price increases.

Business loan demand, outside the New York City banks, is also rising very strongly.

Earlier this week Citibank's monthly economic letter warned of the danger of a credit crunch ahead.

The stock market which normally reacts badly to interest rate increases, but has shrugged off recent increases during the rally which began in April, remained firm in the face of the prime rate rise after recovering an initial decline.

The upward drift of U.S. interest rates is expected to give additional support to the dollar on the foreign exchange markets.

• Jurek Martin writes from Washington: Two reports today point to slowing of U.S. economic activity from recent vigorous levels in which the economy rebounded from the winter doldrums. Housing starts last month fell 4.9 per cent compared with April, while new building permits were down 8.8 per cent.

This fall was expected by both government and industry experts, and does not mean that the home building sector is falling into another recession yet. Nevertheless it is clear that higher interest rates and scarcer availability of mortgage finance are beginning to tell.

The Government reported that personal income rose last month by 0.9 per cent. This contrasts with a revised 1.3 per cent advance in April and 1.4 per cent in March.

## Tarling to be extradited

BY MARGARET REED

MR. RICHARD TARLING, a former business colleague of Mr. Jim Slater, the financier, is to be extradited to Singapore later this month to face five charges under the company law there.

It is expected that Mr. Tarling, one-time chairman of the Singapore company Haw Par Brothers International, which was formerly an associate of Slater Walker Securities, will be given a time and a flight to Singapore on or about June 28, when the extradition warrant is expected to be executed by the British police.

Mr. Tony Leifer, of D. J. Freeman, Mr. Tarling's solicitors, said last night: "We are extremely disappointed and surprised at the decision. In the light of the fact that the

charges in respect of which the extradition is ordered are not 'custodial'—that is, cannot attract prison sentences—in this country."

The charges relate to whether the accounts of Haw Par showed a true and fair view for 1972 and 1973.

The Singapore Government originally brought charges in connection with the affairs of Haw Par against Mr. Tarling and Mr. Slater, chairman until October 1974 of Slater Walker Securities.

Mr. Slater was cleared by the Chief Metropolitan Magistrate of all six charges against him,



## Gilts dull after £1.8bn issue

BY MICHAEL BLANDEN

THE GILT-EDGE market was

quiet and rather subdued yesterday in the wake of the Government's two issues totalling £1.8bn of stock.

The new £1bn ultra-long stock, which was well received on Thursday when about two-thirds was thought to have been sold at the initial offer, started its life in the market at a slight discount. At the end of dealings yesterday, the stock was quoted at a discount of 5% from the £15 which was paid up on issue.

Applications for the £800m

short-medium stock issued yesterday were thought to have been small and prices at the short end of the market ended with small falls. In the medium and long ranges there was little change, except that stocks close to the term of the new long tap stock were slightly down.

The Financial Times Govern-

ment securities index lost 0.13

to 70.44, a rise of 0.18 over the past week.

Meanwhile, in their latest

monetary bulletin, stock-brokers W. Greenwell express

continued concern over the

outlook in spite of last week's

new measures.

The possibility of a wage

explosion following recent

excessive monetary expansion

they say, has now receded.

But double digit inflation is

still "all too likely," and they

do not believe that last week's

package is adequate. "We still

have serious reservations about

the stance of fiscal policy."

In the short run, the brokers

expect the gilt-edged market

to be buoyant. But in the

medium-term, the bulletin

suggests, the official corset on

growth could come under pressure.

"Our conclusion is that the

latest re-introduction of the

corset will probably not mark

major turning points of the

economy and interest rates as

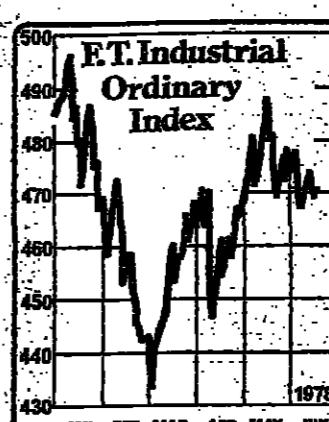
it did on the previous two

occasions."

## THE LEX COLUMN

# BP takes a trip downstream

Index rose 1.4 to 470.6



paying quite a price. It is

acquiring low margin sales of £160m or so for £110m cash plus debt obligations of a similar magnitude. But as with the Veba deal, BP has decided to tackle the problem by putting in more money, rather than trying to draw in its horns.

Overall BP will probably now end up with a slightly higher level of financial gearing at the end of this year. That is before taking into account the consolidation of Sohio, which stands to lift the proportion of debt to capital employed by over 12 points to 50 per cent or more.

BP's accounting gimmick, which makes no difference to its financial obligations. Provided that

the U.S. rating agencies set

things the same way—which

apparently they do—and pro-

vided that those two pipelines

keep gurgling merrily, all will

pay off in its horns.

In Germany, BP is already

moving towards a break-even

position after two years of heavy

losses. The immediate effect